



STONE MASTER
CORPORATION BERHAD

(Company No. 498639-X)
(Incorporated in Malaysia)

BOARD CHARTER
(2017)

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I. BOARD RESPONSIBILITIES

The Board of Directors (“Board”) representing the shareholders are empowered to ensure the proper management of the entity, including optimising long-term financial returns. The Board is responsible for ensuring that the Company and its subsidiaries (“Group”) are managed to achieve this result.

In addition to fulfilling its obligations for increased shareholder value, the Board has responsibilities to the Group’s customers, employees, suppliers and to the environment, governance and communities where it operates, all of whom are fundamental to a successful business.

The duties, powers and functions of the Board are governed by the Memorandum and Articles of Association of the Company, the Companies Act 2016 (“CA 2016”), regulatory guidelines and requirements that are in force.

Having regard to the responsibilities and obligations, the Board will direct and supervise the management of the business and affairs of the Group including:

1. Ensuring that the Group’s goals are clearly established and that a strategic plan, which promotes sustainability, is in place to achieve them;
2. Establishing policies for strengthening the performance of the Group including ensuring that Management is proactively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital;
3. Overseeing the conduct of the Group’s business to evaluate whether the business is being properly managed. This includes ensuring the solvency of the Group and the ability of the Group to meet its contractual obligations and to safeguard its assets;
4. Appointing the Managing Director / Chief Executive Officer, including setting the relevant terms and objectives and where necessary, terminating his/her employment with the Group;
5. Ensuring that the Group has appropriate business risk management process, including adequate control environment be it the internal control systems and management information systems, systems for compliance with applicable laws, regulations, rules, directives and guidelines and controls in areas of significant financial and business risks;
6. Appointing Board Committees to address specific issues, considering recommendations of the various Board Committees and discussing problems and reservations arising from these Committees’ deliberations and reports;
7. Ensuring that the statutory accounts of the Company and Group are fairly stated and otherwise conform with the relevant regulations including acceptable accounting policies that result in balanced and understandable financial statements;
8. Ensuring that there is in place an appropriate succession plan for members of the Board and Senior Management;

9. Ensuring that the Group adheres to high standards of ethics and corporate behavior in accordance with the Group's code of corporate conduct including transparency in the conduct of business. Directors are required to comply with the Directors' Code of Best Practice;
10. Reviewing the Board Charter and making it available publicly on the Company's website;
11. Ensuring that there is in place an appropriate corporate disclosure policy and procedure, which leverage on information technology for effective dissemination of information, to ensure comprehensive, accurate and timely disclosures; and
12. Ensuring that there is in place an appropriate investor relations and communications policy which encourages shareholders' participation at general meetings and promotes effective communication and proactive engagements with shareholders.

Directors must at all times be aware of their additional role as ambassadors of the Group and as such should be guided accordingly.

A Schedule of Matters reserved for collective decision of the Board is provided in **Appendix A**.

II. BOARD MEMBERSHIP GUIDELINES

1. Size of the Board

The maximum number of Directors is stipulated in the Articles of Association. It must be large enough to ensure a range of knowledge, views and experience and should be a size that encourages effectiveness.

2. Composition

The composition of the Board will reflect the duties and responsibilities it is to discharge and perform as representatives of the interests of shareholders. The composition of the Board shall reflect as much as possible or practicable, proportional representation of investments in the Company.

At least two (2) Directors or one third (1/3) of the Board, whichever is higher, shall be Independent Directors. If the number of Directors is not a multiple of three (3), then the number nearest one third (1/3) shall be used. The definition of Independent Director follows that of Paragraph 1.01 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

Practice 4.1 of the Malaysian Code on Corporate Governance 2017 ("MCCG 2017") however, has called upon for the Company to have at least half (1/2) of the Board comprises Independent Directors.

The Nomination Committee is responsible for overseeing the selection and reviewing, on an annual basis, the appropriate skills, experience and characteristics required of Board Members, in the context of the needs of the Group with reference to its business.

Upon receipt of the recommendation from the Nomination Committee and/or shareholders of the Company, the Board itself should be responsible for selecting its members pursuant to the Articles of Association of the Company and/or in recommending them for election by the shareholders in accordance with the CA 2016”). The Board delegates the screening and evaluation process for potential new Directors and Directors to be nominated for re-election to the Nomination Committee. The Nomination Committee shall consider the required mix of skills, experience, knowledge and other qualities and diversity including gender, ethnicity and age, where appropriate, which the Director should bring to the Board.

In the event of an Executive Director’s service contract with the Group terminates for whatever reason, the said Director is expected to resign from the Board. although the Board may, if it considers it appropriate, re-appoint the said Director as a non-executive member of the Board.

The Articles of Association provides for one third (1/3) of the Board to retire at each annual general meeting and a retiring Director shall be eligible for re-election. In addition, all Directors shall retire from office once at least in each three (3) years, but shall be eligible for re-election.

3. External Board Appointments

Any Board member is, while holding office, at liberty to accept other board appointments (outside the Group) so long as the appointment is not in conflict with the business of the Company and Group and does not detrimentally affect the Director’s performance as a Board member. The notification to the Chairman should include an indication of time that will be spent on the new appointment so as to not hinder the Director’s responsibilities to the Company.

4. Board Leadership

The Board shall appoint a Chairman who is responsible for instilling good corporate governance practices, leadership and effectiveness to the Board.

The role of the Chairman of the Board and the Managing Director / Chief Executive Officer shall be separated. The position description of the Chairman, the Managing Director / Chief Executive Officer, Non-Executive Directors and Independent Directors are provided in **Appendices B, C and D** respectively.

The Chairman is responsible for representing the Board to shareholders. The Chairman is also responsible for ensuring the integrity and effectiveness of the governance process of the Board and maintaining regular dialogue with the Managing Director / Chief Executive Officer over all operational matters and shall consult with the Board promptly over any matter that gives him cause for major concern.

The Chairman will act as facilitator at meetings of the Board to ensure that no Board member, whether executive or non-executive, dominates discussion, that appropriate discussion takes place and that relevant opinions among Board members are forthcoming. The Chairman will ensure that discussions result in logical and understandable outcomes.

The Board may also appoint amongst its members a Senior Independent Non-Executive Director to be called Senior Independent Director, to whom concerns from the other Directors, public or investors may be conveyed. Inquiries or complaints about decisions or actions taken by the Group should be addressed to the Senior Independent Director. The Senior Independent Director shall also acts as a sounding board to the Chairman and provides leadership support and advice to the Board in the event the Board is undergoing a period of stress.

5. Induction of New Board Members

The Chairman should ensure that all Board members, when taking up office, are fully briefed on the terms of their appointment, duties and responsibilities. New Board members will also be briefed on the operations of the Group to increase their understanding of the business, the environment and markets in which the Group operates. The new Board member will be given a copy of the following:

- i. Board Charter;
- ii. Directors' Code of Best Practice (**Appendix E**);
- iii. Board committees' composition and terms of reference;
- iv. Latest Annual Report;
- v. Organisation Chart and particulars of Senior Management; and
- vi. Minutes of past three (3) Board of Directors' Meetings,

and will meet with the Key Senior Management personnel.

Board members are expected to keep themselves abreast of changes and trends in the business and in the Group's business environment and markets including changes and trends in the economic, political, social, legal and regulatory climate that could affect the business of the Group.

6. Shareholdings by Board members in the Company

Board members may hold shares in the Company. When buying or selling shares in the Company, Board members must strictly observe Chapter 14 of the Listing Requirements of Bursa Securities, the provisions of CA 2016 and the Articles of Association, the Directors' Code of Best Practice and all relevant legislative and regulatory procedures.

III. BOARD AND MEMBER EVALUATIONS

The Chairman keeps under review, informally, the contributions made by Board members. A broad interpretation of contribution is applied, which can be in terms of contribution to meetings of the Board Committee, representing the Company or Group in public events and developing policies amongst others. The Nomination Committee is given the task to review annually the membership and effectiveness of the Board and the performance, contribution and independence of individual Board members to ensure that the Board's size, structure and composition meets the needs of the Company.

The Nomination Committee is required to report annually to the Board an assessment of the Board's and its Committees' performance. This will be discussed with the Board. This shall be done following the end of each financial year (or such other time as deemed appropriate).

Every year, the Nomination Committee will also evaluate each individual Director's contributions to the effectiveness of the Board and the relevant Board Committees. The results of such evaluation will be discussed with the Committee and/or the Board while the Chairman's own position is discussed with the Nomination Committee.

IV. DIRECTORS' REMUNERATION

The Board will determine the level of remuneration of Board members, taking into consideration, amongst others, the recommendations of the Remuneration Committee for executive Board Members and/or the Managing Director / Chief Executive Officer, the demands, complexities and performance of the Company as well as skills and experience required.

Non-executive Board members will be paid a basic fee as ordinary remuneration and will be paid a sum based on their responsibilities in Committees and the Board, their attendance and/or special skills and expertise they bring to the Board. The fee shall be fixed in sum and not by a commission on or percentage of profits or turnover.

Executive Board members will be paid as employees of the Company in accordance with their contracts of employment with the Company in addition to being paid the Director's fees, where applicable. The Remuneration package for executive Board members shall be reviewed by the Remuneration Committee and may not include a commission on or percentage of turnover.

Pursuant to CA 2016, Directors' fees and any benefits payable to the Directors are subject to approval of the shareholders at a general meeting annually.

V. BOARD STRUCTURES AND PROCEDURES

1. Board Committees

The Board may delegate its duties and responsibilities for specified matters to individual members or Committees of the Board. All such Committees must be provided with written terms of reference which state clearly the extent and limits of their responsibilities and authority and it is each Committee's duty to review the matters under its purview and make the necessary recommendation for the Board's consideration and collective approval.

The present Board Committees are the Audit Committee, the Remuneration Committee, the Nomination Committee and the Risk Management Committee, each operating within their respective clearly defined terms of reference to assist in the effective functioning of the Board.

2. Board Meetings

The Chairman should ensure that the Board meets at regular intervals of at least four (4) times throughout the year. At each scheduled meeting, the Board should consider where applicable:

- an operational report from the Management covering also the trading results;
- proposals for significant capital expenditure and acquisitions;
- proposals for significant disposal of Company and/or Group's assets;
- major issues or opportunities for the Group;
- Committee minutes / Directors' Circular Resolutions for notation;
- changes in directorship and disclosure of interest;
- disclosure of dealings in securities by Directors / principal officers;
- summary of share ownership movement;
- related party transactions and/or recurrent related party transactions, if any; and
- any other matters requiring its authority.

In addition, the Board shall, at periodic intervals of not more than one (1) year:

- review the Company and Group's goals;
- review the strategies for achieving the stated goals;
- approve the annual operational plans and budget;
- consider and, if appropriate, declare or recommend the payment of dividend;
- review non-executive Board members' remuneration;
- review the reports and recommendations from the Audit Committee and:
 - o approve the quarterly announcements and annual audited financial statements for issuance to shareholders and the public;
 - o approve the Annual Report;
 - o approve the appointment of the Group's external auditors and their remuneration; and
 - o approve risk assessment and internal control policies.
- review and endorse recommendations from the Nomination Committee on:
 - o the Board composition, structure and succession planning;
 - o the performance, necessity and composition of Board Committees; and
 - o the Board and individual member's evaluations.
- review and endorse reports and recommendations from the Remuneration Committee on:
 - o the Managing Director / Chief Executive Officer and Executive Directors' performance and remuneration; and
 - o the remuneration policies and practices in general.

The Articles of Association stipulates the procedures for convening Board meetings and the size and required attendance for the Board's quorum.

Board meeting agendas shall be the responsibility of the Chairman with input from Board members and the Company Secretary. The Chairman may also ask Key Senior Management to participate in this process.

The notice for each meeting shall be circulated at least seven (7) days before each meeting to the Board members and all those who are required to attend the meeting. The agenda together with meeting papers and other written materials shall be circulated to the Board members in advance to ensure the Directors have sufficient time to solicit further clarification and/or information, where necessary. Key Senior Management and/or external professionals may be invited to attend these meetings to clarify and/or explain matters being tabled.

Information furnished to the Board should not just be historical or bottom line and financial oriented but information that goes beyond assessing the quantitative performance of the Group and looks at other performance measures such as competitors' performance, customers' satisfaction, product and service quality, market share, market reaction, environmental performance and so on when dealing with any item on the agenda.

The Chairman shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Board. The minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated. Minutes of each meeting shall also be circulated to all members of the Board in a timely manner.

Board members are expected to make every effort to attend Board meetings and prepare thoroughly. Members are expected to participate fully, frankly and constructively in Board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the Board table.

Board discussions will be open and constructive, recognising that genuinely held differences of opinion can, in such circumstances, bring greater clarity and lead to better decisions. The Chairman will, nevertheless, seek a consensus in the Board but may, where considered necessary, call for a vote. All discussions and their record will remain confidential unless there is a specific direction from the Board to the contrary or disclosure is required by law. Subject to legal or regulatory requirements, the Board will decide the manner and timing of the publication of its decisions.

Executive members attend Board meetings to discharge their Board responsibilities. At Board meetings, Board responsibilities supersede all executive responsibilities.

In the absence of a Board meeting, any issues of the Company shall be resolved through Directors' Circular Resolutions in the manner as guided in the Articles of Association.

3. Provision of Business or Professional Services by Board Members

To avoid a conflict of interest (actual or perceived), Board members should not, generally provide business or professional services of an ongoing nature to the Group.

Notwithstanding the general rule, the Company and/or Group is at liberty to:

- for the purpose of a special assignment, engage the services of any Board member having special expertise in the particular field; or
- engage the services of a firm or company of which the Board member is a partner, director or major shareholder so long as the terms of engagement are competitive, are clearly recorded and all regulatory and legal requirements of the engagement are properly observed.

4. Access to Independent Professional Advice

In discharging Directors' duties, each member of the Board is entitled to obtain independent professional advice at the cost of the Company.

If a Director considers that such advice is necessary, the Director shall first discuss it with the Chairman and, having done so shall be free to proceed. The Director should provide proper notice to the Company Secretary of the intention to seek independent advice and shall provide the names(s) of the professional advisors that he/she intends to contact, together with a brief summary of the subject matter for which professional advice is sought. The Company Secretary shall provide written acknowledgement of acceptance of notification. In the event that one (1) or more Directors wishes to seek appointment of one (1) or more advisors, the Chairman should take steps to facilitate discussions to arrive at a consensus.

Fees for the independent professional advice will be payable by the Company but proper approval of the Chairman will be required.

For avoidance of doubt, the above restriction shall not apply to Executive Directors acting in the furtherance of their executive responsibilities and within their delegated powers.

For the purposes of this section, independent professional advice shall include advice sought from legal experts, accountants or other professional advisor and consultants. Independent professional advice shall exclude any advice concerning the personal interests of the Directors (such as with respect to their contracts or disputes with the Group), unless these are matters affecting the Board as a whole.

5. The Company Secretary

The appointment or removal of Company Secretary (or Secretaries) of the Board shall be the prerogative of the Board as a whole in accordance with the relevant regulations in force. The Company Secretary appointed should be suitably qualified and competent in order to support the Board as a whole in carrying out its roles and responsibilities.

The Company Secretary is responsible for ensuring that Board procedures are followed, that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation.

All Board members, particularly the Chairman, have unrestricted access to the advice and services of the Company Secretary for the purposes of the Board's affairs and the business.

VI. DIRECTORS' TRAINING AND DEVELOPMENT

Board members are encourage to attend relevant seminars and training programmes to equip themselves with the knowledge to effectively discharge their duties as Directors. The Directors, on their own efforts, are responsible to continue to equip themselves with latest knowledge and updates on the business, regulatory and economic environment.

The Board and/or through the Nomination Committee will identify and suggest suitable training programmes for Directors so as to provide the Directors with the necessary updates to assist them in discharging their roles and responsibilities effectively.

VII. RELATIONSHIP OF THE BOARD WITH MANAGEMENT

1. Access to Management and Information

Board members have complete access to the Group's Management. Board members have unrestricted access to the information pertaining to the Company and/or Group including the Company and/or Group's auditors and consultants.

It is assumed that Board members will use judgement to be sure that this contact is not distracting to the business operation of the Company and/or Group and that such contact, if in writing, be copied to the Managing Director / Chief Executive Officer and Chairman.

Furthermore, the Board encourages the Management to, from time to time, involves managers in Board meetings who:

- can provide additional insight into the items being discussed because of personal involvement in these areas; and/or
- represent managers with future potential that the Management believes should be given exposure to the Board.

2. Position of the Managing Director / Chief Executive Officer

The Board will link the Company's governance and management functions through the Managing Director / Chief Executive Officer. All Board authority conferred on Management is delegated through the Managing Director / Chief Executive Officer so that the authority and accountability of Management is considered to be the authority and accountability of the Managing Director / Chief Executive Officer so far as the Board is concerned. The Board shall regularly review the division of responsibilities to ensure that the needs of the Company are consistently met.

The Board, through the Remuneration Committee, will agree with the Managing Director / Chief Executive Officer to achieve specific results directed towards the Company and/or Group's goals.

Between Board meetings, the Chairman maintains an informal link between the Board and the Managing Director / Chief Executive Officer, and expects to be kept informed by the Managing Director / Chief Executive Officer of all important matters, and is available to the Managing Director / Chief Executive Officer to provide counsel and advice where appropriate.

Only decisions of the Board acting as a body are binding on the Managing Director / Chief Executive Officer. Decisions or instructions of individual Board members, officers or Committees are not binding except in those instances where specific authorisation is given by the Board.

3. Accountability of the Managing Director / Chief Executive Officer to the Board

The Managing Director / Chief Executive Officer is accountable to the Board for the achievement of the Company's goals and for the observance of the Management authorities.

At each quarterly Board meeting, the Board should expect to receive from or through the Managing Director / Chief Executive Officer:

- the operational and other reports and proposals referred to under the section on Board Meetings and **Appendix A: Schedule of Matters Reserved for Collective Decision of the Board**; and
- such assurances as the Board considers necessary to confirm that the Management authorities are being observed.

4. Management Authorities

The Managing Director / Chief Executive Officer is expected to act within all specific authorities delegated to him/her by the Board.

The Managing Director / Chief Executive Officer is expected to not cause or permit any practice, activity or decision that is contrary to commonly accepted good business practice or professional ethics. In allocating the capital and resources of the Company and/or Group, the Managing Director / Chief Executive Officer is expected to adhere to the Company and/or Group's goals. He/She is expected to not cause or permit any action without taking into account the health, safety, environmental and political consequences and their effect on long-term shareholder values and of its other stakeholders.

The assets of the Group are expected to be adequately maintained and protected, and not unnecessarily placed at risk. In managing the risks of the Group, the Managing Director / Chief Executive Officer is expected to not cause or permit anyone to substitute their own risk preference for those of the shareholders as a whole.

The Managing Director / Chief Executive Officer is expected to not permit employees and other parties working for the Group to be subjected to treatment or conditions that are undignified, inequitable, unfair or unsafe.

5. Leadership Development and Succession Planning

There should be an annual report by the Managing Director / Chief Executive Officer to the Nomination Committee on succession planning. There should be available, on a continuing basis, the Managing Director / Chief Executive Officer's recommendation as to a successor should he/she be unexpectedly disabled.

There should also be an annual report by the Managing Director / Chief Executive Officer on the Company's and/or Group's management development. This report should be given to the Nomination Committee at the same time as the succession planning report noted previously.

VIII. RELATIONSHIP BETWEEN THE BOARD AND SHAREHOLDERS INCLUDING OTHER STAKEHOLDERS

The Board values the importance of the timely and accurate dissemination of information and major developments of the Group to the shareholders, potential investors and the general public. The Board must ensure there is effective, transparent and regular communication with its stakeholders.

The Company regards the Annual General Meetings as a principal forum for dialogue with shareholders and aims to ensure that the Annual General Meetings provide an important opportunity for effective communication with the Company's shareholders.

The Board will use its best endeavours to familiarise itself with issues of concern to shareholders and should take proactive measures to ensure that shareholders are able to participate at General Meetings by considering leveraging on technology to facilitate electronic voting and remote shareholder participation.

The Company's website containing pertinent information on the Group can be easily be accessible by the shareholders and other stakeholders.

The Board believes that Management speaks for the Group. Individual Board members may, from time to time at the request of the Management, meet or otherwise communicate with various constituencies that are involved with the Group. If comments from the Board are appropriate, they should, in most circumstances, come from the Chairman and/or the Managing Director / Chief Executive Officer.

A corporate disclosure policy was formalised to promote comprehensive, accurate and timely disclosures pertaining to the Company and the Group to regulators, shareholders and other stakeholders.

IX. INDEMNIFICATION AND DIRECTORS' & OFFICERS' INSURANCE

In the course of discharging Directors' duties, the Directors may be exposed to certain wrongful acts such as error, misstatement, misleading statement, omission, neglect or breach of duty committed or attempted or allegedly made in the course of duties. To the extent allowed by law, the Company will provide Board members and will pay a portion of the premiums for such indemnity and insurance cover while acting in their capacities as Directors, provided always that such wrongful acts occur in good faith and not as a result of dishonesty, fraud, insider trading, malicious conduct, fines, penalties, liabilities arising from intentional breach of contract and liquidated, punitive or exemplary damages.

X. ABSENCE OF THE MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER

In the event that the Company does not have a Managing Director / Chief Executive Officer in office and during the period of such absence, all the provisions of this Charter (including the Appendices) that apply to the Managing Director / Chief Executive Officer shall apply to such other person appointed by the Board to have overall charge of the Company, unless the Board or a Board Committee decides otherwise that certain provisions are not to apply or are to apply with modification(s). The Board and Board Committees may also put in place additional rules and guidelines pertaining to this person's role.

This Section X shall cease to apply upon the appointment of the Managing Director / Chief Executive Officer.

XI. REVIEW OF BOARD CHARTER

The Board shall review the Board Charter from time to time to ensure its relevance and remains consistent with the Board's objectives and responsibilities in accordance with the changes in the laws and regulations that may arise from time to time.

Appendix A

**SCHEDULE OF MATTERS RESERVED
FOR COLLECTIVE DECISION OF THE BOARD**

The authorities of the Board are specified below. The authorities may be varied from time to time as determined by the Board.

Conduct of Board

- Appointment and removal of Directors based on recommendations of the Nomination Committee.
- Appointment and removal of Company Secretary.
- Appointment of Board Committees and members (based on the recommendations of the Nomination Committee).
- Approval of terms of references of Board Committees and amendments to such terms.
- Appointment of senior executive positions, including that of the Managing Director / Chief Executive Officer and his/her duties and the continuation (or not) of their service.

Remuneration

- Approval of the remuneration structure, policy and remuneration packages for the Managing Director / Chief Executive Officer and where appropriate, Key Senior Management based upon recommendations of the Remuneration Committee.
- Approval of the remuneration arrangements for Non-Executive Directors.
- Approval of any proposed new share issuance scheme, share grant scheme and/or amendments to the existing scheme, subject to other approvals that may be required by law or regulations.

Operational

- Approval of the Group's business strategy and annual operational plans and budget.
- Ongoing review of performance against business strategy and Group's operational plan, including identifying and monitoring of key risks and risk management policies and actions.
- Approval of limits of authority including any amendments thereto.
- Approval of investment or divestment of a capital project which represents a significant diversification from the existing business activities.
- Approval of changes in the major activities of the Company or Group.
- Approval of treasury policies and bank mandate.
- Setting or variation of the authority level of the Managing Director / Chief Executive Officer.

Financial

- Approval of quarterly interim and annual financial statements after taking into consideration the recommendations of the Audit Committee.
- Approval for the release of financial announcements.
- Approval of the annual Directors' Report and Statements and Statutory Financial Statements.
- Approval of interim dividend(s), the recommendation of final dividend(s), if any, and the making of any other distribution.

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- Adoption of accounting policies after taking into consideration the recommendations of the Audit Committee.
- Approval of corporate policies and procedures after review by the Managing Director / Chief Executive Officer and key senior executive(s) where appropriate.
- Review the effectiveness of the Group's system of internal control. This function is delegated to the Audit Committee which will in turn report to the Board on its findings.

Other matters to consider including but not limited to:

- The granting of powers of attorney by the Company.
- The entering into of any indemnities or guarantees.
- Recommendations for the alteration of the Memorandum and Articles of Association of the Company.
- Alteration of the accounting reference date, registered office and name of the Company.
- Appointment and/or removal of Company Secretary.
- Appointment and/or removal of External Auditors and their remuneration.
- Appointment and/or removal of Internal Auditors and their remuneration.
- Purchase of own shares by the Company.
- Issue of any debt instruments.
- Substantial charitable or other contributions.
- Scheme of reconstruction or restructuring.
- Any other significant business decision.
- Any other matters requiring the convening of a general meeting of shareholders or any class of shareholders.

Appendix B

POSITION DESCRIPTION OF THE CHAIRMAN

The responsibilities of the Chairman include but not limited to:

1. Providing leadership to the Board so that the Board can perform its responsibilities effectively;
2. Chairing meetings of the Board in such a manner that will stimulate debate on issues before the Board and encourage the most effective contribution from each Board member;
3. Chairing meetings of shareholders and acts as the main representative of the Company at shareholders' meetings;
4. Establishing procedures to govern the Board's work;
5. Ensuring the Board's full discharge of its duties;
6. Scheduling meetings of the full Board;
7. Organising and presenting the agenda for regular or special Board meetings based on input from other Directors and the Company Secretary and ensures that Board members receive complete and accurate information in a timely manner;
8. Ensuring proper flow of information to the Board, reviewing adequacy and timing of documentary materials in support of Management's proposal and review of performance of the Company and / or Group;
9. Ensuring adequate lead time for effective study and discussion of business under consideration;
10. Identifying guidelines for the conduct of Directors, and ensuring that each Director is making a significant contribution. The Chairman keeps under review, informally, the contributions made by Board members;
11. Acting as liaison between the Board and Management. The Chairman should act as the main informal link between the Board and Management and particularly between the Board and the Managing Director / Chief Executive Officer;
12. Ensuring that all Board members, when taking up office, are fully briefed on the terms of their appointment, duties and responsibilities and the business of the Group;
13. Together with the Managing Director / Chief Executive Officer, represents the Company and/or Group to external groups such as shareholders, creditors, consumer groups, local communities and federal, state, and local governments;
14. In conjunction with the Managing Director / Chief Executive Officer, playing a leading role in:
 - formulating the Board's strategic direction and planning process;

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- encouraging high standards of propriety and promoting efficient and effective use of staff and other resources throughout the organisation; and
 - fostering high corporate ethical standards and positive relationships with the Company's shareholders;
15. Working with the Nomination Committee, actively participate in the selection of Board members and ensuring the membership is properly balanced;
 16. Working with the Nomination Committee, ensuring proper Committee structure, including assignments of members and respective Committee chairman. The Chairman should also ensure that a formal succession plan for the Board is in place; and
 17. Carrying out other duties as requested by the Board as a whole, depending on the needs and circumstances.

Appendix C

**POSITION DESCRIPTION OF THE
MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER**

The Managing Director / Chief Executive Officer is accountable to the Board for the overall organisation, management, and staffing of the Company and/or Group and for the procedures in financial and other matters, including conduct and discipline. This includes promoting by leadership and example. Board members should support the Managing Director / Chief Executive Officer in undertaking this responsibility.

The role of the Managing Director / Chief Executive Officer can be summarised as follows:

1. Fosters a corporate culture that promotes ethical practices, encourages individual integrity, and fulfils social responsibility;
2. Maintains a positive and ethical work climate that is conducive to attracting, retaining, and motivating a diverse group of top-quality employees at all levels;
3. Develops and recommends to the Board a long-term strategy and vision for the Company and / or Group that leads to the creation of shareholder value;
4. Develops and recommends to the Board the operational plans and budget that support the Company's and / or the Group's long-term strategy;
5. Manages the overall business and oversees the day to day operations of the Company and the Group;
6. Ensures continuous improvement in the quality and value of the products and services provided by the Group;
7. Ensures that the Company achieves and maintains a satisfactory competitive positions within its industry;
8. Recommends Management structure and operating authority levels which include delegation of responsibilities to Management;
9. Ensures that the Company has an effective Management team below the level of the Managing Director / Chief Executive Officer and has an active plan for its development and succession. Reports to the Nomination Committee annually on the succession and management development plan;
10. Ensures, in cooperation with the Nomination Committee/Board, that there is an effective succession plan in place for the Managing Director / Chief Executive Officer position;

Appendix C

11. Formulates and oversees the implementation of major corporate policies;
12. Accountable to the Board for the propriety and regularity of the finances;
13. Responsible for the financial management of the Company and/or Group and overseeing the handling of financial matters which include keeping proper accounts for prudent and economical administration, avoidance of waste and extravagance for efficient and effective use of all the resources;
14. Reports to the Board periodically on the financial positions of the Group which include forecast results and budget as required from time to time;
15. Reports to the Board on key performance indicators in relation to the financial results, market conditions and other developments;
16. Recommends annual management salary increment and employees share option entitlement, if any, to the Remuneration Committee;
17. Reports on significant business decisions;
18. Serves as the chief spokesperson for the Group; and
19. Refers to the Board Committees on matters requested from time to time.

Appendix D

POSITION DESCRIPTION OF THE :

(I) NON-EXECUTIVE DIRECTORS

The roles of the Non-Executive Directors can be summarised as follows:

1. Act as a bridge between Management and stakeholders, particularly shareholders. They could provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied.
2. For the Board to create an environment that allows the expression of disagreement when discussing strategic issues.
3. Bring dispassionate objectivity that a Director with a relationship with the Company cannot provide.

(II) INDEPENDENT DIRECTORS

Independent Directors are essential for protecting the interests of minority shareholders and can make significant contributions to the Company's decision making by bringing in the quality of detached impartiality. Since an Independent Director has no conflict of interests in the discharge of his/her duties, he/she ought to approach any approval that is being sought at Board level for a transaction or any matter with a watchful eye and with an inquiring mind.

Paragraph 1.01 of the Listing Requirements of Bursa Securities provides that an Independent Director is one who is independent of management and free from any business or other relationship that could interfere with the exercise of independent judgement or the ability to act in the best interests of a listed company.

The Independent Director of the Company must be a person who:

- is not an Executive Director of the Company or any related corporation of the Company;
- has not been within the last two (2) years and is not an officer (except as a non-executive Director) of the Company;
- is not a major shareholder of the Company;
- is not a family member of any Executive Director, officer or major shareholder of the Company;
- is not acting as a nominee or representative of any Executive Director or major shareholder of the Company;
- has not been engaged as an adviser by the Company under such circumstances as prescribed by Bursa Securities 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 which provides professional advisory services to the Company under such circumstances as prescribed by Bursa Securities; or
- has not engaged in any transaction with the Company under such circumstances as prescribed by Bursa Securities or is not presently a partner, director or a major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the Company) which has been engaged in any transaction with the Company under such circumstances as prescribed by Bursa Securities.

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Practice 4.2 of the MCCG 2017 provides that the tenure of an Independent Director does not exceed a cumulative term limit of nine (9) years. After nine (9) years, such Independent Director may continue to serve on the Board subject to his re-designation as a non-independent Director.

Alternatively, the Board may justify and seek shareholders' annual approval in the event the Board intends to retain a person who has served as an Independent Director for more than nine (9) years in that capacity. If the Board continues to retain the Independent Director after the twelfth (12th) year, the Board should seek annual shareholders' approval through a two-tier voting process.

Appendix E

DIRECTORS' CODE OF BEST PRACTICE

Purpose

This Code is 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 (1) person.

The Directors are to maintain the highest degree of integrity and professionalism while at the same time promoting transparency and accountability in their actions.

Guidelines

Board members are required to observe the Directors' Code of Best Practice as follows:

1. Compliance at all times with this Code of Best Practice and the Board Charter.
2. Observe high standards of corporate governance at all times.
3. Adhere to the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership.
4. To uphold the spirit of responsibility and social responsibility in line with legislation, regulations and guidelines for administering the Company.
5. Should have a clear understanding of the aims and purpose, capabilities and capacity of the Company.
6. Act in good faith and in the best interests of the Company and Group.
7. Not misuse information gained in the course of duties for personal gain or for political purposes, nor seeks to use the opportunity of the service as Directors to promote their private interests or those of connected persons, firms, businesses or other organisations.
8. Should ensure at all times that the Company is properly managed and effectively controlled.
9. Uphold accountability at all time. This includes ensuring that the Company's resources are properly safeguarded and the Company conducts its operations as economically, efficiently and effectively as possible at all time.
10. Board members should not accept positions on Board Committees or working groups where a conflict of interest is likely to arise, without first declaring that interest.
11. 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.
12. 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 or her powers in discharging his/her duties.

Appendix E

13. Declaration of any personal, professional or business interests that may have conflict with Directors' responsibilities. Guidance on declaration and registration of interests is given in the section entitled "Conflict of Interest and Declaration of Interests" below.
14. Follow the guidance on acceptance of gifts and hospitality as stated in the section entitled "Guidelines on Acceptance of Gifts" below.
15. Shall not deal or influence any other person to deal in the securities of the Company at any time when he/she is in possession of information obtained as a result of his/her employment by, or his/her connection with the Group, which is not generally available to the public and which, if it were so available, would likely to have a material effect in the market price or market activity of the shares.
16. Must stay alert to Anti-Money Laundering and Counter Financing of Terrorism activities in the effort to combat money laundering and terrorism financing.
17. Relationship with shareholders, employees, creditors and customers:
 - should be conscious of the interests of shareholders, employees, creditors and customers of the Company;
 - should at all times promote professionalism and improve the competency of Management and employees; and
 - should ensure adequate safety measures and provide proper protection to workers and employees at the workplace.

Conflict of Interest and Declaration of interests

Subject to the requirements of any acts, rules or regulations that are in force from time to time and in addition to such mandatory requirements, members of the Board are required to notify the Company Secretary on changes in the following:

1. Shareholding and/or interest in securities of the Company or its related corporations, whether direct or indirect; and
2. Directorships or interests in any other corporations.

In addition to the above, member of the Board who has a material interest, either directly or through a partner, spouse or close relative, in matters being considered by, or likely to be considered by the Board should declare that interest. Such declarations should describe the interest clearly and state whether it carries direct or indirect financial benefits. This requirement also applies to members of the Senior Management.

Relevant interests in this context are as follows:

1. Executive and non-executive directorships of, significant shareholdings in, or employment by, public or private companies likely or possibly seeking to do business with the Company.

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2. Ownership or part-ownership of, or employment by, businesses or consultancies likely or possibly seeking to do business with the Company.

The Directors are required to inform the Board of any actual or potential conflicts of interest that may arise within the Group.

The Directors should abstain themselves from discussions or decisions on matters in which they have a conflicting interest unless resolved otherwise by the remaining Board members.

Conduct in Meetings

Any Board member who has a clear and substantial interest in a matter under consideration by the Board or Board Committee should declare that interest at any meeting where the matter is to be discussed. The Board member concerned should withdraw from the meeting during the relevant discussion or decision.

Guidelines on Acceptance of Gifts

The following set out the guidelines on acceptance of gifts:

1. The conduct of individuals must not create suspicion of any conflict between their position as a member of the Board and any private interest;
2. Board members acting as such must not give the impression that they have been influenced by a benefit to show favour or disfavour to any person or organisation having dealings with the Company and/or Group;
3. Board members must not accept any benefit as an inducement or reward for taking any action (or specifically not taking any action) in their official capacity as a Board member; and
4. Gifts other than of token value should generally be refused.