



**DIVFEX BERHAD**  
**(200401036851 (675362-P))**

**BOARD CHARTER**

## **1.0 OBJECTIVES OF THE CHARTER**

The objective of the Charter is to:

- (a) broadly define the terms of reference of the Board of Directors (“the Board”) of Divfex Berhad (“DFX” and/or “the Company”). The terms of reference set out hereunder are premised on principles of good corporate governance in Malaysia;
- (b) provide a tool and/or guide to the Board for consistent application of its procedures; and
- (c) ensure awareness of good corporate governance (in accordance with the Malaysian Code of Corporate Governance and Listing Requirements of Bursa Malaysia Securities Berhad) and common law duties and responsibilities as stipulated in the Company’s Constitution, Companies Act, 2016 (“the Act”) and other relevant acts and guidelines.

## **2.0 OBJECTIVES OF THE BOARD**

The objective of the Board is to essentially:

- (a) review, approve and contribute to the long-term strategy of the Company and subsidiaries by bringing onto the Board their experience and expertise;
- (b) monitor the Management’s implementation of the strategy. In this respect, the Board should evaluate, identify and understand both the internal and external environments of the Company and its subsidiaries. In short, ensuring that the Company and its subsidiaries are properly run underpins their fundamental Board function;
- (c) lead and control the Company and subsidiaries whereby collective decision and/or close monitoring is conducted on issues relating to performance, resources, standards of conduct and financial matters;
- (d) monitor and be accountable for overall performance of the Company and its subsidiaries;
- (e) ensure proper discharge of the Board’s stewardship responsibilities; and
- (f) identify and retain Directors who are able to add value to the Board as well as to the Company.

## **3.0 COMPOSITION OF THE BOARD**

- 3.1** The number of Directors shall not be less than two (2) but in the event of any casual vacancy occurring and reducing the number of Directors below the aforesaid minimum the continuing Directors or Director may, except in an emergency act only for the purpose of filling up such vacancy or vacancies or of summoning a general meeting of the Company. All Directors of the Company shall be natural persons.

**3.2** The Company shall be headed by an effective Board, which can both lead and control the business. The Board shall be made up of a combination of Executive Directors and Non-Executive Directors (including Independent Non-Executive Directors) and shall bring a broader view to the Company's activities under a Chairman who accepts the duties and responsibilities that the post entails. The Board shall also be capable of and perceived to exercise independent judgement.

**3.3** Non-Executive Directors shall be 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. To be effective, Independent Non-Executive Directors need to make up at least one-third of the membership of the Board or at least two Directors, whichever is higher. The number of Independent Non-Executive Directors shall be significant to ensure their views will carry significant weight in Board decisions.

#### **4.0 CHAIRMAN AND VICE CHAIRMAN**

**4.1** The Board members shall amongst themselves appoint a Chairman, preferably a Non-Executive Director, as a best practice.

**4.2** A Vice Chairman, who may be elected by the Board among its members to work alongside the Chairman in managing the outworking of the Board.

#### **5.0 GROUP CHIEF EXECUTIVE OFFICER ("GCEO")**

**5.1** The GCEO shall be appointed by the Board on the recommendation from the Nominating Committee.

**5.2** The positions of Chairman, Vice Chairman and GCEO shall be held by different individuals to promote accountability and facilitate division of responsibilities between them.

#### **6.0 APPOINTMENT OF DIRECTOR**

**6.1** The appointment of Directors is the responsibility of the Board. In the deliberation process, the Board will take into account the knowledge competence, experience, integrity, character and ability to devote time to discharge his/her role, of the proposed candidates.

**6.2** A Director may appoint a person approved by the Board to act as his/her alternate, provided that any fee paid by the Company to the alternate shall be deducted from that Director's remuneration.

**6.3** All new Directors are subject to re-election at the Annual General Meeting ("AGM") following their first appointment.

**6.4** At each AGM, one-third (1/3) of the Directors or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire by rotation from office and seek re-election.

**6.5** All Directors shall retire from office once at least every three (3) years but shall be eligible for re-election. Re-appointments are not automatic and the Directors who retire are to submit themselves for re-election by shareholders at the Company's AGM.

**6.6** The Board shall have the power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director appointed in such a manner shall hold office only until the next following AGM and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by the rotation at that meeting.

## **7.0 VACATION OF OFFICE OF A DIRECTOR**

Subject as otherwise provided in the Constitution and to the terms of any subsisting agreement, the office of a Director shall be vacated if he, during his term of office:-

- becomes disqualified from being a Director under Section 198 and 199 of the Act;
- ceases to be or is prohibited from being a Director by virtue of the Act or Listing Requirements or applicable laws;
- becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental disorder;
- becomes bankrupt or makes any arrangement or composition with his creditors generally;
- dies;
- resigns from his office by notice in writing to the Company and deposited at the registered office;
- is removed from office in accordance with the Act or the Constitution;
- is absent from more than 50% of the total Board meetings held during a financial year unless an exemption or waiver is obtained from Bursa Malaysia Securities Berhad; or
- has retired in accordance with the Act or the Constitution but not re-elected.

## **8.0 REMOVAL OF DIRECTORS**

In accordance with the provisions of Section 206 of the Act, the Company may by ordinary resolution of which special notice has been given remove any Director before the expiration of his period of office, notwithstanding any provisions of the Constitution or of any agreement between the Company and such Director but without prejudice to any claim he may have for damages for breach of any such agreement. The Company may by ordinary resolution appoint another person in place of a Director so removed from office and any person so appointed shall be subject to retirement by rotation at the same time as if he had become a Director on the day on which the Director in

whose place he is appointed was last elected a Director. In default of such appointment the vacancy so arising may be filled by the Directors as a casual vacancy.

## **9.0 DUTIES AND RESPONSIBILITIES OF THE BOARD**

The role of the Board is to effectively represent and promote the interests of the shareholders with a view to adding long-term value to the Company's shares. The Board's responsibilities and duties include the following:

- Oversee the conduct of the Company's businesses and to evaluate whether the businesses are being properly managed. In this respect the Board must ensure that there are objectives in place against which Management's performance can be measured. The Board should also ensure that the Company is in compliance with its Constitution, Listing Requirements of Bursa Malaysia Securities Berhad, the Act and any other statutory and regulatory requirements relevant to the Company;
- Having regard to its role, the Board will direct and supervise the Management in the business and affairs of the Company including, in particular:
  - (a) Ensuring that the Company's goals are clearly established and that strategies are in place for achieving them; and
  - (b) Establishing policies for strengthening the performance of the Company including ensuring that the Management is proactively seeking to build the business through innovation, initiative, technology and development of new products.
- Identify principal risks and ensure the implementation of appropriate systems to manage these risks. The target is to achieve a proper balance between risks incurred and potential returns to shareholders;
- Review the adequacy and integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines. The Board must ensure that there is a satisfactory framework of reporting on internal financial controls and regulatory compliance;
- Establish an internal audit function. Where an internal audit function does not exist, the Board should assess whether there are other means of obtaining sufficient assurance of regular review and/or appraisal of the effectiveness of the systems of internal controls within the Company and the Group. The Board should explain in summary the means that exist for obtaining such assurance of regular review and/or appraisal;
- Promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;
- Promote a culture of integrity throughout the Group's business, including setting the Group's anti-bribery stance and managing corruption risks of the Group;

- Ensure succession planning, including appointing, training, fixing the compensation of and where appropriate replacing Senior Management;
- The Board may delegate any of their powers to committees consisting of such members as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Board. Where the Board appoints a committee, it should spell out the authority of the committee and in particular whether the committee has the authority to act on behalf of the Board or simply has the authority to examine a particular issue and report back to the Board with a recommendation. Pursuant to the above, the Board has established the following committees of the Board with specific terms of reference:

- (a) Nominating Committee composed exclusively of Non-Executive Directors, a majority of whom are independent, with the responsibility of proposing new nominees for the Board and for assessing Directors on an on-going basis. The actual decision as to who shall be nominated should be the responsibility of the full Board after considering the recommendations of the Nominating Committee.
- (b) Remuneration Committee, consisting of a majority of Non-Executive Directors, to recommend to the Board the remuneration of Executive Directors, Non-Executive Directors and GCEO in all its forms, drawing from outside advice as necessary. The determination of remuneration packages of Directors should be a matter for the Board as a whole. The individuals concerned should abstain from discussion and decision of their own remuneration.
- (c) Audit and Risk Management Committee (“ARMC”), comprising no fewer than three (3) Directors. The ARMC members must be Non-Executive Directors, with a majority of them being independent. The Chairman of the ARMC must be an Independent Non-Executive Director.

The ARMC assists and supports the Board in ensuring the integrity of the Group’s financial procedures, internal control systems, risk management activities and independence of the Group’s external and internal auditors.

- (d) Executive Committee (“EXCO”) comprised of members nominated by the Board with the objectives to manage generally the business of the Group, including specifically:
  - (i) Implement the strategies and policies of the Group;
  - (ii) Devise and ensure the achievement of the strategic intent for the Group and monitor performance processes within the Group;
  - (iii) Evaluate and recommend to the Board any potential strategies and policies which are not within the authority delegated to the EXCO; and
  - (iv) Make decisions, or to establish the basis of which all decisions are taken, other than those matter specifically reserved for the Board or other Board Committees.
- Exercise an adequate degree of independence and have regular meetings to allow Directors to meet and exchange views. This gives the Board the opportunity to

effectively assess the direction of the Company and the performance of the Management;

- Lay down rules to determine the materiality of any transaction and establish clearly which transactions require multiple Board signatures. Board should also agree on the procedures to be followed especially when decisions are required between Board meetings;
- Prepare a formal schedule of matters specifically reserved to the Board for decision-making to ensure that the direction and control of the Company is firmly in the Board's hands. A schedule of matters should be given to Directors on appointment and should be kept up to date.

## 10.0 MATTERS RESERVED FOR THE BOARD

The following matters (including changes to any such matters) require approval from the Board, except where they are expressly delegated by the Board to a committee, the Chairman or another nominated member of the Management:

### 10.1 Conduct of the Board

- (i) Appointment and removal of Directors and Senior Management and Company Secretary(ies) and approval of their terms of employment; and
- (ii) Establishment of Board Committees and approval of their Terms of Reference.

### 10.2 Remuneration

- (i) Approval and review of the remuneration policies and procedures for Directors and Senior Management; and
- (ii) Review and approval of any proposed employee share option scheme and/or amendments to existing scheme, subject to legal and regulatory requirements.

### 10.3 Operational

- (i) Approval of the Group's business plans and annual budget;
- (ii) Conduct annual review of Executive Directors and Senior Management performance;
- (iii) Approval of major capital expenditure, acquisition, divestitures in excess of authority levels delegated to Board Committees and Senior Management;
- (iv) Approval of investment or divestment of a capital project which represents a significant diversification from the existing business activities;
- (v) Approval of changes in the major activities of the Group including treasury policies and bank mandates; and

(vi) Setting the limits of authority of the GCEO and Senior Management

10.4 Financial

- (i) Approval of quarterly and annual financial statements based on the recommendations of the ARMC;
- (ii) Approval for release of all announcements to Bursa Securities Malaysia Berhad;
- (iii) Approval of dividends and the making of any other distribution;
- (iv) Approval of accounting policies based on the recommendations of the ARMC;
- (v) Approval of the Group policies and procedures based on the recommendations of the Senior Management where appropriate; and
- (vi) Review of the Group's system of internal control and risk management based on the report and findings of the ARMC.

10.5 Other matters and approval by regulatory promulgations

- (i) Review of corporate governance principles and policies of the Company;
- (ii) The granting of powers of attorney by the Company;
- (iii) The entering into any indemnities or guarantees;
- (iv) Recommendations for the alteration of the Company's Constitution;
- (v) Alteration of the accounting reference date, registered office and name of the Company;
- (vi) Purchase of own shares by the Company;
- (vii) Issue of any debt instruments;
- (viii) Substantial political or charitable contributions;
- (ix) Scheme of reconstruction or restructuring;
- (x) Any other significant business decision;
- (xi) Any other matters requiring the convening of a general meeting of shareholders or any class of shareholders; and
- (xii) Any other specific matters nominated by the Board and required by regulatory promulgations from time to time.



## 11.0 ROLE & RESPONSIBILITIES

### 11.1 Role of the Chairman

11.1.1 The Chairman of the Board is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board.

11.1.2 The duties and responsibilities of the Chairman shall include the following:

- (i) provide leadership so that the Board can carry out its duties and responsibilities effectively and to ensure the smooth functioning of the Board;
- (ii) facilitate the conduct of all Board meetings whilst also ensuring that the Board members engage and provide constructive views in determining the Group's strategies and policies and that decisions taken by the Board are in the Group's best interest and fairly reflect the Board's consensus;
- (iii) set the board agenda with the assistance of the GCEO and Company Secretary(ies) and ensuring that Board members receive complete and accurate information in a timely manner;
- (iv) ensure that decisions are taken on a sound and well-informed basis, including by ensuring that all strategic and critical issues are considered by the Board;
- (v) manage the interface between the Board and Management and maintain a positive relationship with the GCEO;
- (vi) ensure appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole;
- (vii) foster a democratic boardroom environment and encourage the active participation of Directors during Board meetings;
- (viii) act as the main representative of the Group alongside the GCEO at meetings with shareholders and on other occasions where key or major actions are taken or statements are made on behalf of the Company/Group;
- (ix) lead the Board to ensure that the integrity and effectiveness of the governance process of the Board and the creation of an effective corporate governance system as well as ongoing education programmes for Directors;
- (x) oversee and facilitate the Board, Board Committees and individual Directors evaluation alongside the Chairman of the Nominating Committee; and
- (xi) lead the discussion on recommendations from Board Committees in pursuit of Board's approval or ratification.

## 11.2 Role of Vice Chairman

11.2.1 The duties and responsibilities of the Vice Chairman shall include the following:

- (i) assist the Chairman in delivering his/her responsibilities and ensuring the smooth functioning of the Board;
- (ii) provide assistance and support to the Chairman during meetings;
- (iii) assist in conducting Board and general meetings in the absence of the Chairman;
- (iv) facilitate a healthy working relationship between the Chairman and the other Directors;
- (v) promote constructive dialogues between Non-Executive and Executive Directors through private sessions;
- (vi) ensure that the Board members and Chairman are communicating well with stakeholders; and
- (vii) chair Board meetings in the absence of the Chairman.

## 11.3 Role of the GCEO

11.3.1 The GCEO serves as a nexus between the Board and Management. The GCEO is responsible to develop the Group's objectives and strategies, having regard to the Group's responsibilities to its shareholders, customers, employees and other stakeholders and ensuring the long-term stability of business and also sustainability of the environment.

11.3.2 The GCEO is accountable to the Board, amongst others, for the following:

- (i) manage the day-to-day business operations of the Group;
- (ii) develop and recommend to the Board the medium to long term strategies and vision of the Group, the annual business plans, actions plans and risk management policies;
- (iii) implement the strategies, objectives and decision of the Board within the framework of delegated authorities, values and policies of the Group;
- (iv) ensure that the Group's corporate and business objectives are executed and achieved;
- (v) ensure that effective internal control and governance best practices are deployed within the Group;
- (vi) lead the conduct of risk assessments, report the assessment results and recommend to the ARMC and the Board, the Management's action plans in managing the principal risks;

- (vii) recommend the management structure and operating authority levels which include delegation of responsibility to Management;
- (viii) ensure that the Group has an effective Management team and structure, management development program and succession planning measures;
- (ix) serve as the spokesperson for the Company/Group alongside the Chairman and Vice Chairman; and
- (x) ensure that the Group remains in compliance with relevant legislations and regulations by conducting reviews and monitoring compliance.

#### **11.4 Role of Executive Directors**

Executive Directors are, as employees, involved in the day-to-day management of the Company and the Group. They are invariably members of the Company's Senior Management team.

The Executive Directors of the Company are responsible for:

1. leading the Management team;
2. proper management of the corporate resources;
3. implementation of the Board's policies and decisions;
4. the day-to-day management of the Company's business;
5. coordinating the development and implementation of business and corporate strategies;
6. developing and implementing appropriate Company's policies/procedures, processes and/or process guidelines for compliance with the best practices of good corporate governance; and
7. developing the corporate objectives, which include performance targets and long-term goals of the business, to be met by the respective Head of Companies.

#### **11.5 Role of Non-Executive Directors**

The Act makes no distinction between Executive and Non-Executive Directors in terms of the legal duties that are imposed on Directors.

Non-Executive Directors act as a bridge between Management, shareholders and other stakeholders. They provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied.

They 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 proposal at meetings.

## **11.6 Role of Independent Non-Executive Directors**

- a) Independent Directors are essential for protecting the interests of shareholders and can make significant contributions to the Company's decision making by bringing in the quality of detached impartiality.
- b) An Independent Director is not to be involved in the day-to-day operations or running of the businesses of the Group.
- c) An Independent Director is especially important in areas where the interests of Management, the Company and/or the shareholders diverge, such as executive performance and remuneration, related party transactions and audit.
- d) The Listing Requirements emphasise that even if a person does not fall within any of the disqualifying indicators spelt out in Rule 1.01 therein, both the Director and the Board must give effect to the spirit, intention and purpose of the definition of an Independent Director. There must be conscious application of the test of whether the Independent Director is able to exercise judgment and act in the best interest of the Company.
- e) The attributes of collegial yet independent decision-making that must be vested in the Independent Director will be determined in part by the character of the individual and that of the whole ethos of the Board.

## **11.7 COMPANY SECRETARY(IES)**

**11.7.1** The Company Secretary(ies) shall in accordance with the Act be appointed by the Board for such term, at such remuneration, and upon such conditions as they may think fit, and any Company Secretary(ies) so appointed may be removed by the Board. The Directors may from time to time appoint a temporary substitute for the Company Secretary(ies) who shall be deemed to be the Secretary(ies) during the term of his appointment.

**11.7.2** The key role of the Company Secretary(ies) is to provide unhindered advice and services for the Directors as and when the need arises, to enhance the effective functioning of the Board and to ensure regulatory compliance.

**11.7.3** Primary responsibilities of the Company Secretary(ies) shall include:

- a) advise the Board on matters related to corporate governance and the Listing Requirements;
- b) ensuring that Board procedures and applicable rules are observed;
- c) maintaining records of the Board and ensure effective management of the Company's statutory records;
- d) preparing comprehensive minutes to document Board proceedings and ensure conclusions are accurately recorded;
- e) assisting the communications between the Board and Management;

- f) providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time; and
- g) preparing agendas and co-ordinating the preparation of the Board papers.

## **12.0 MEETINGS OF THE BOARD**

- 12.1** Board meetings will be conducted at least on a quarterly basis. The Board's annual meeting calendar is prepared and circulated to Directors before or at the beginning of each year. Apart from the pre-scheduled board meetings, the Board may for urgent matters, convenes an emergency/special board meeting at any time during the year.
- 12.2** The Directors may, if they think fit, confer by radio, telephone, closed circuit television or other electronic means of audio or audio-visual communication. A resolution passed by such a conference shall, despite the fact that the Directors are not present together in one place at the time of the conference, be deemed to have been passed at a meeting of the Directors held on the day on which and at the time at which (using Malaysian time) the conference was held. The provisions of the Constitution relating to proceedings of Directors apply to such conferences so far as they are capable of application and with any necessary changes.
- 12.3** Notice of meeting setting out the agenda and accompanied by the relevant board papers prepared by Management and Company Secretary(ies) are distributed to the Directors in sufficient time to enable the Directors to peruse the matters to be deliberated. Important matters that are reasonably expected to have a material effect on the price, value or market activity of the Company's shares may be discussed at the meeting without materials being distributed prior to the meeting. Board papers are presented in a consistent, concise and comprehensive format, and include, where relevant to the proposal put forward for the Board's deliberation, approval or knowledge, progress reports on the Group's operations and detailed information on corporate proposals, major fund raising exercises and significant acquisitions and disposals.
- 12.4** The quorum necessary for the transaction of business shall be two (2) Directors.
- 12.5** Any matters for decision, questions, disagreements or conflict resolutions arising at any Board meeting shall be decided by a majority of votes of the Directors present and voting, each Director having one (1) vote and a determination by a majority of Directors shall for all purposes be a decision of the Board as a whole. In case of equality of votes, the Chairman of the meeting shall have a second or casting vote. However, when only two (2) Directors are present and form a quorum or only two (2) Directors are competent to vote on the question at issue, in which event the Chairman of the meeting shall not have a second or casting vote and the resolution in question shall not be carried and the meeting shall be adjourned for further deliberation by the Board at the adjourned meeting to reach a decision.
- 12.6** Any Director who has a direct or deemed interest in the subject matter to be deliberated shall abstain from deliberation and voting on the same during the meeting or abstain from signing the circular resolution.
- 12.7** Each Director is expected to attend all Board meetings and committee meetings of which the Director is a member and shareholders' meetings, except where

unforeseeable circumstances arise. The office of a Director shall become vacant if the Director is absent from more than 50% of the total Board meetings held during a financial year.

- 12.8** Decisions of the Board may be made by circular resolution in between scheduled meetings. A resolution in writing signed or approved by a majority of the Directors or members of a committee for the time being by letter, facsimile, electronic mail or any other means of telecommunication shall be as valid and effectual as if it had been passed at a meeting of the Directors or committee duly convened and constituted.

### **13.0 MINUTES OF BOARD MEETINGS**

- 13.1** The Company Secretary(ies) shall be responsible for recording the minutes of the Board meetings and which are to be reviewed by the Chairman and Vice Chairman and shall be circulated to the Board members in a timely manner as soon as practicable upon conclusion of the meeting.

- 13.2** The minutes of meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

- 13.3** All Directors shall ensure that the meeting minutes accurately reflect the deliberations and decisions of the Board or Board Committees including any dissent, clarification or discussion made and whether any Director abstained from voting or deliberating on a particular matter.

- 13.4** The Company Secretary(ies) shall be responsible for keeping minutes of the meeting of the Board and Board Committees at the registered office of the Company under its custodian, and the minutes of meetings shall be open for inspection by any member of the Board; and

- 13.5** All discussions and records of discussions shall remain confidential unless otherwise specified by the Board or where disclosure is required by law. Subject to legal or regulatory requirements, the Board will decide on the manner and timing of the publication of its decisions.

### **14.0 TENURE OF INDEPENDENT DIRECTORS**

- 14.1** The tenure of service of an Independent Director shall not exceed a cumulative term of twelve (12) years from the date of his/her first appointment.

- 14.2** The Board may provide justification and seek annual shareholders' approval through a two-tier voting process at the annual general meeting to retain an Independent Director who has served beyond nine (9) years' tenure to continue in office as an Independent Director.

### **15.0 INDEPENDENT PROFESSIONAL ADVICE**

- 15.1** The Directors are entitled to obtain independent professional advice relating to the affairs of the Group or to his responsibilities as a Director.

- 15.2** If a Director considers such advice to be necessary for the discharge of duties and responsibilities as Director and, for the benefit of the Company, such Director shall first discuss it with the Chairman and Vice Chairman and, having done so, shall be free to proceed, where appropriate.
- 15.3** Subject to prior approval of the Chairman and Vice Chairman, the cost of the advice will be reimbursed by the Company but the Director will ensure, so far as is practicable, that the cost is reasonable.

## **16.0 DIRECTORS' CODE OF ETHICS**

- 16.1** The Board shall ensure that the Group upholds high standards of ethics and corporate behaviour. The conduct of Directors will be consistent with their duties and responsibilities to the Company and, indirectly, to shareholders.
- 16.2** In that light, in the performance of the duties of a Director, the Board is first and foremost held accountable in demonstrating the following:

### **Corporate Governance**

- (i) a clear understanding of the aims and purpose, capabilities and capacity of the Company;
- (ii) 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;
- (iii) ensure at all times that the Company is properly managed and effectively controlled;
- (iv) stay abreast of the affairs of the Company and be kept informed of the Company's compliance with the relevant legislation and contractual requirements;
- (v) insist on being kept informed on all matters of importance to the Company in order to be effective in corporate management;
- (vi) 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;
- (vii) have access to the advice and services of the Company Secretary(ies), who is responsible to the Board to ensure proper procedures, rules and regulations are complied with;
- (viii) at all times exercise his powers for the purposes they were conferred, for the benefit and prosperity of the Company;
- (ix) disclose immediately all contractual interests whether directly or indirectly with the Company;

- (x) 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;
- (xi) 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;
- (xii) willing to exercise independent judgment and, if necessary, openly oppose if the vital interest of the Company is at stake.

#### **Relationship with Shareholders, Employees, Creditors and Customers**

- (xiii) conscious of the interest of shareholders, employees, creditors and customers of the Company;
- (xiv) at all times promote professionalism and improve the competency of management and employees;
- (xv) ensure adequate safety measures and provide proper protection to workers and employees at the workplace.

#### **Social Responsibilities and the Environment**

- (xvi) 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;
- (xvii) adopt an objective and positive attitude and give the utmost cooperation for the common good when dealing with government authorities or regulatory bodies;
- (xviii) ensure the effective use of natural resources, and improve quality of life by promoting corporate social responsibilities;
- (xix) be more proactive to the needs of the community and to assist in society-related programmes;
- (xx) 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.

### **17.0 DIRECTORS' TRAININGS AND CONTINUING EDUCATION**

**17.1** In addition to the Mandatory Accreditation Programme as required by Bursa Malaysia Securities Berhad, the Directors shall continue to update their knowledge and enhance their skills through appropriate continuing education programmes and life-long learning. This will enable Directors to effectively discharge their duties and sustain active participation during Board deliberations.

**17.2** The Board shall evaluate and determine the training needs of its Directors on an on-going basis, by determining areas that would best strengthen their contribution to the Board.



## **18.0 CODE OF CONDUCT AND ETHICS**

- 18.1** The Company's Code of Conduct and Ethics ("CCE") sets out the principles and standards of business ethics and conduct of the Group and this CCE is to be observed by all employees and Directors of the Group.
- 18.2** The Board will review the CCE periodically to ensure that it continues to remain relevant and appropriate.

## **19.0 WHISTLEBLOWING POLICY**

To enhance corporate governance practices across the Group, a whistle-blowing policy has been adopted which provides Directors, employees and stakeholders of the Group with an avenue to report suspected improprieties such as illegal or unlawful conduct, contravention of the Group's policies and procedures, acts endangering the health or safety of any individual, public or employee, and any act of concealment of improprieties. The aim of this policy is to encourage the reporting of such matters in good faith, with the confidence that the person filing the report, to the extent possible, be protected from reprisal, victimisation, harassment or subsequent discrimination.