



# **Hubline Berhad**

Registration No. 197501001462 (23568-H)

(Incorporated in Malaysia)

# **BOARD CHARTER**

## **1. Introduction**

- 1.1 Hubline Berhad (the "Company") was incorporated in Malaysia as a private limited company on 12 May 1975 under the Companies Act of Malaysia 1965 and converted to a public company limited by shares on 27 December 1994. The Company was listed on 1 April 2004 on the Main Board of Bursa Malaysia Securities Berhad.
- 1.2 The principal business of the Company is investment holding. The Company and its subsidiaries (collectively referred to as the "Group") is primarily engaged in two distinct business segments, namely:
  - Dry bulk shipping logistics services; and
  - General aviation services and flying academy aviation school.

## **2. Purpose of the Board**

- 2.1 The Board of Directors (the "Board") is responsible for overseeing the Company's management and business affairs and makes all major policy decisions of the Company. The management and control of the business and affairs of the Company are vested in the Directors by virtue of the powers and authorities granted under the Constitution of the Company, and are otherwise not directed by the Companies Act 2016 (the "Act") or the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad to be exercised or done subject to shareholders' approval.
- 2.2 The Board shall provide principal and foremost leadership to the Company, establish its objectives and develop strategies which direct the ongoing activities of the Company to achieve its objectives. Directors shall determine the future of the Company and shall protect its assets and reputation. They will consider how their decisions relate to stakeholders as well as the legal and regulatory framework. Directors shall apply skills and diligence in exercising their duties to the Company and are subject to fiduciary duties. Directors shall be accountable to the shareholders of the Company for the Company's performance.
- 2.3 The Board may establish any committees to be made up of any persons (whether or not a Director) and may delegate to such committees specific authorities, discretions and powers which are vested in the Board.

- 2.4 This Board Charter, together with the Company's Constitution and the Charters of the Board Committees, provide the authority and practices for governance of the Company and where relevant, the Group.

### **3. Board Principal Responsibilities**

- 3.1 In order to ensure effective discharge of the Board's functions, the Board has assumed the following eight (8) principal responsibilities:
- a) Reviewing, challenging and if appropriate, adopting the overall Group strategic plans, key strategic initiatives, annual consolidated Group budget and monitoring the implementation thereof;
  - b) Promoting sustainability and long-term value creation by embedding economic, environmental, social and governance matters in the Group's strategies and addressing sustainability risks and opportunities;
  - c) Overseeing the conduct of the Group's business and financial performance to evaluate whether the business is properly managed and operated.
  - d) Overseeing the Group's Anti-Corruption Framework by implementing adequate measures to prevent corruption;
  - e) Identifying principal risks, determining risk appetite and ensuring there is an appropriate risk management framework to identify and assess significant financial and non-financial risks, and the implementation of appropriate controls and systems to monitor and managed these risks;
  - f) Appointing members of the Board, Board Committees, Chief Executive Officer ("CEO") of the Company and key senior management including evaluating performance and managing succession planning, training, fixing remuneration and where appropriate, replacing them;
  - g) Overseeing the development and implementation of adequate and effective shareholders and stakeholders communication channels to ensure timely disclosure of information whether financial, organisational, governance or transactions related;

- h) Reviewing the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for ensuring compliance with applicable regulations, laws, rules, directives and guidelines.

#### **4. Size and Composition of the Board**

- 4.1 Unless otherwise determined by the Company in general meeting, the Company shall have at least two (2) and not more than fifteen (15) Directors. Each Director must be a natural person who is at least eighteen (18) years of age. There is no shareholding qualification for Directors.
- 4.2 At least two (2) Directors or one-third (1/3) of the total number of Directors on the Board, whichever is the higher, must be Independent Directors. An Independent Director is defined under Paragraph 1.01 of the MMLR of Bursa Malaysia Securities Berhad.
- 4.3 The tenure of an Independent Director should not exceed a cumulative term of twelve (12) years.
- 4.4 An Independent Director who has completed a cumulative term of nine (9) years may continue to serve on the Board subject to him or her being re-designated as a Non-Independent Director.
- 4.5 Subject to Section 4.4, where the Board determines that the Independent Director who has exceeded a cumulative term of nine (9) years but not exceeding twelve (12) years continues to be independent, shareholders' approval may be sought to retain him or her in that capacity by following the two-tier voting approach as set out under Practice 5.3 of the Malaysian Code on Corporate Governance 2021 ("MCCG"). The Board must conduct a rigorous review to determine whether the said Director continues to demonstrate independence of mind and seek shareholders' approval to retain him or her as an Independent Director provided there are compelling justifications.
- 4.6 The Company is committed to building a diverse, inclusive and collaborative culture. The Company recognises and embraces the benefits of diversity on the Board, and views diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development.

The Board is of the view that gender is an important aspect of diversity. The Board shall include at least one female Director.

- 4.7 In the event of any vacancy in the Board, resulting in non-compliance with subparagraph 4.2 as the case may be, the Board must ensure that the vacancy is filled within three (3) months.
- 4.8 No person shall be appointed, re-appointed, elected or re-elected as a Director on the Board or continue to serve as a Director if he or she is or becomes an active politician who is a Member of Parliament, state assemblyman or holds a position at the Supreme Council or division level in a political party.

## **5. Board Appointment**

- 5.1 The Board will, in promoting board diversity, take into consideration the candidate's background, skills, experience, competence, character, integrity, gender and time to effectively discharge his or her role as a Director of the Company.
- 5.2 The Board will seek to maintain optimal board balance and the Board will make the necessary appointment based on merit and contribution to the overall working of the Board, taking into consideration the future strategic direction of the Group.
- 5.3 A review shall be conducted at least annually in respect of the size and composition of the Board, taking into consideration such skills, knowledge, experience and capabilities desired to meet both the current and future requirements and activities of the Group.
- 5.4 The Board places high emphasis on inclusivity and acknowledges that a mix of individuals from different backgrounds (social and professional), skills, experience and competencies will enable greater inclusivity as well as diversity of thought and behaviours.
- 5.5 The Board aspires to achieve at least 30% women representation to the extent that all appointments to the Board shall be made on merit.
- 5.6 The Board has delegated the responsibility for recommending candidates to the Nomination Committee. Upon identifying an appropriate candidate, the Nomination Committee shall make its recommendations

to the Board for deliberation and approval. The appointment of a Director is ultimately decided by the Board.

- 5.7 In identifying suitable persons for appointment to the Board, the Nomination Committee shall, where appropriate and necessary, rely on sources from the existing Directors, major shareholders, CEO, independent recruitment specialists and other independent sources.

## **6. Directors' Fit and Proper Policy**

- 6.1 All members of the Board are required to have the necessary qualifications, training, skills, qualities, competencies and experience which allow them to perform their duties and carry out the responsibilities required of the position in the most effective manner.
- 6.2 The fit and proper assessment on any person identified to be appointed as a Director or to continue holding the position as a Director within the Group shall be conducted prior to the initial appointment or proposed re-election/re-appointment as a Director. The fit and proper assessment on a Director may also be conducted whenever the Company becomes aware of information which may materially compromise a Director's fitness and propriety.

The Nomination Committee and the Board, in conducting the above fit and proper assessment, shall be guided by the Directors' Fit and Proper Policy as described in Paragraphs 6.3, 6.4 and 6.5 below.

- 6.3 Any person to be appointed as a Director or to be continue holding the position as a Director within the Group must not be disqualified or deemed to be disqualified or vacated his or her office.

In assessing a person's fitness and propriety, the Board through its Nomination Committee, shall consider all relevant factors based on the following overarching criteria:

- Character and Integrity;
- Experience and Competence; and
- Time and Commitment.

- 6.4 The Nomination Committee shall determine the specific factors for its consideration in a fit and proper assessment, having regard to the circumstances and requirements relevant to the Group. Amongst the

key factors which underpin the above overarching criteria are as outlined below, which would be assessed by the Nomination Committee taking into account their relative importance.

a) Character and Integrity:

- Probity, personal integrity and reputation – demonstrated through personal qualities such as honesty, integrity, diligence, independence of mind and fairness;
- Financial integrity – good management of financial obligations;
- Reputation – an unblemished reputation for integrity and ability to exercise good business judgment.

b) Experience and Competence:

- Qualifications, training and skills;
- Relevant past and current experience and expertise – proven leadership and experience which provide a sound knowledge of business, financial, government-related or legal matters which are relevant to the Group's businesses or to its status as a public listed company.

c) Time and Commitment:

- Ability to dedicate sufficient time to fulfill his or her responsibilities as a member of the Board and any committees to which he or she may be appointed, including restricting the number of directorships in other companies.

6.5 A person who has been identified for appointment as a Director or for re-appointment/re-election as a Director within the Group may be required to make the fit and proper declaration in a form as the Nomination Committee may from time to time prescribe or approve.

## **7. Disqualification or Vacation of Office**

7.1 The office of a Director shall become vacant if the Director:

- a. Resigns his or her office by notice in writing to the Company;

- b. Retired in accordance with the Constitution of the Company and is not re-elected;
- c. Removed from his or her office as Director by ordinary resolution at a meeting of the Company in accordance with the Constitution of the Company and Section 206 of the Act;
- d. Becomes disqualified from being a Director under Sections 198 or 199 of the Act of Paragraph 15.05(1) of the MMLR of Bursa Malaysia Securities Berhad.
- e. Becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001;
- f. Dies; and
- g. Has been absent from more than fifty per centum (50%) of the total number of meetings of the Board of Directors held from the date of his or her election or appointment to the end of any financial year of the Company (whether or not an alternate director appointed by him or her attended), unless otherwise exempted by Bursa Malaysia Securities Berhad on application by the Company.

7.2 If the office of a Director is vacated for any reason, he or she shall cease to be a member of any committee or sub-committee of the Board.

## **8. Re-election of Directors**

8.1 An election of Directors shall take place each year at the annual general meeting of the Company, where one-third (1/3) of the Directors for the time being, 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 from office and be eligible for re-election. All Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he or she retires.



## **9. Meetings and Attendance**

- 9.1 The Board shall meet at least four (4) times each financial year and at any time(s) as it deems necessary to fulfill its responsibilities.
- 9.2 Each Director will review, before attending meetings of the Board or committees, all materials provided by the Company relating to matters to be considered at the meetings.
- 9.3 Each Director shall devote sufficient time and effort to stay abreast and keep informed on all matters of importance to the Group by limiting directorships in other companies to a number in which the Director can best devote his or her time, resources and effectiveness. Such other directorships shall, in any event, be not more than five (5) in public listed companies, inclusive of the Company.
- 9.4 All Directors are required to provide notification to the Board when accepting any external board appointments and seek guidance from the Chairman of the Board if there is any potential conflict of interests.

## **10.0 Matters Reserved for the Board**

- 10.1 The following matters are reserved for collective decision of the Board which may be varied from time to time as determined by the Board. Matters which refer to "the Company" only apply to Hubline Berhad. In all other cases, the matter refers to the Company and its subsidiaries. The Board reserved matters are subject to the relevant rules and regulations applicable to the entity which include the Malaysian Companies Act 2016, the MMLR and Practice Notes of Bursa Malaysia Securities Berhad, as well as subject to the entity's Constitution.

### **1.0 Strategy and Management:**

- 1.1 Group strategic plan and any material changes thereto.
- 1.2 Consolidated annual budget/plan and any material changes thereto.
- 1.3 Undertaking new business activities in non-traditional or non-core areas.

- 1.4 Mergers, joint ventures, acquisitions and divestments of equity or quasi-equity, and arrangements which result in a dilution of interest in a subsidiary, joint venture or investee (otherwise than matters falling within the Limits of Authority of the Chief Executive Officer). This includes the Group's share of equity participation, shareholders' loans and guarantees.
  - 1.5 Any major capital projects.
  - 1.6 Decision to cease to operate all or any material part of the Group's business.
- 2.0 Structure and Capital:
- 2.1 Changes relating to the Company's share capital such as reduction of capital, issuance of new share capital and share buyback, including the use of treasury shares.
  - 2.2 Changes in the Group's corporate structure such as the formation or acquisition, disposal and dissolution of subsidiaries.
  - 2.3 Changes relating to macro debt structure such as debt/equity ratio setting and overall debt exposure.
  - 2.4 Establishment of long-term share incentive plans and major changes to existing plans.
- 3.0 Accounting and Finance Matters:
- 3.1 Interim financial results and audited financial statements of the Company prior to release to the public at large.
  - 3.2 Significant change in accounting policies or practices unless such alteration is required by law.
  - 3.3 Annual report, circular to shareholders, prospectus or such other similar documents to be made available to the public at large or shareholders.

- 3.4 Dividend policy and the declaration/distribution of dividend, profits, reserves or capital.
- 3.5 Treasury-related transactions, including foreign currency exposure and the use of financial derivatives.
- 3.6 Limits of authority including any amendments thereto.
- 3.7 Opening and closing of bank accounts of the Company, and the appointment or change in authorised signatories (save for the resignation of authorised signatories) and signing limits for the operation of the Company's bank accounts.
- 3.8 Related Party Transactions ("RPTs"), with the exception of RPTs falling within the exceptions in the Listing Requirements and waiver granted by Bursa Malaysia Securities Berhad.
- 3.9 The giving of any guarantee or indemnity or the creation or issue of any debenture, mortgage, charge or other security or interest over any of the Group's assets, otherwise than in the ordinary course of business and in any approved investments.

#### 4.0 Human Resources:

- 4.1 Appointment of Directors and members of Board Committees of the Company, and Directors' remuneration and benefits.
- 4.2 Appointment and termination of CEO, Group Executive-Level or C-Suite Officers of the Company and their remuneration.
- 4.3 Terms of Reference of the Board Committees of the Company and material changes thereto.
- 4.4 Organisation structure and succession management of CEO and key senior management.
- 4.5 Appointment or removal of Company Secretary.

- 4.6 Appointment or removal of external auditors and fixing of auditors' remuneration.
- 4.7 Pension and compensation schemes in favour of the CEO and key senior management.
- 4.8 Annual salary increment and performance bonus.
- 4.9 Long-term share incentive program, grant and vesting of shares and setting of the vesting criteria.
- 4.10 Appointment of independent advisers in respect of any corporate exercise being undertaken by the Group and consultants for major strategic consultancy projects.
- 4.11 The overall limits of the Group Directors' and officers' liability insurance.

5.0 Others:

- 5.1 Systems, including new or change to existing systems, which are fundamental to the operation of the businesses.
- 5.2 Amendments to the Constitution of the Company.
- 5.3 Prosecution, commencement, defence or settlement of material litigation, or undertaking alternative dispute resolution mechanism.
- 5.4 Tax dispute settlement of a material nature.
- 5.5 Any proposed listing on any stock exchange or change of listing or public limited status.
- 5.6 Matters falling outside the limits of authority of the CEO.
- 5.7 Any amendments to the matters reserved for the Board.

**11.0 Directors' Access to Management and Independent Advisors**

- 11.1 Directors shall have access to management and, as necessary and appropriate, to the Group's independent advisers, in order to keep

themselves fully informed of the Group's affairs and to enable them to make sound business judgments.

- 11.2 In carrying out his or her duties and responsibilities, the Directors have:
- a. Full, free and unrestricted access to any information, records, property and personnel of the Group;
  - b. Access to independent professional advice and expertise necessary for the performance of his or her duties at the Company's expense; and
  - c. Access to advice and services of the Company Secretary.

## **12 Directors' Remuneration**

- 12.1 The remuneration for Non-Executive Directors ("NEDs") of the Company are based on the following key principles:
- a. Adequate to attract, motivate and retain outstanding non-executive talent;
  - b. Consistent with recognised best practice standards;
  - c. Reflect the experience, time commitment, level of responsibilities and complexity shouldered, as well as special assignments and risks; and
  - d. Aligned with the Group's business strategy and long-term objectives.
- 12.2 The Board has established a formal and transparent process for approving NEDs' remuneration. In determining the remuneration to the NEDs for serving on the Board and on the Board Committees, the Remuneration Committee and the Board will consider the following:
- a. Compensation which is paid to the Directors of other local and regional companies which are operating in similar businesses and comparable in size to the Group;
  - b. Level of responsibilities assumed by the Directors and the amount of time which is likely to be required from them to

devote to the Group's business affairs, including but not limited to preparation for and attending meetings of the Board and the Board Committees on which they serve;

- c. Success of the Company, which may be reflected in stock options or other compensation related to the price of the Company's shares;
- d. If a Board Committee on which a Director serves undertakes a special assignment, the importance of that special assignment to the Group and its shareholders; and
- e. Risks involved in serving as a Director and a member of the Board Committee.

12.3 In accordance with Section 230 of the Malaysian Companies Act 2016, the Board shall seek the shareholders' approval on an annual basis for the Directors' fees and benefits.

### **13 Directors' Orientation and Continuing Education**

13.1 The Company will make available to each new Director an induction program which comprises of a combination of written materials, presentation and activities including interactive engagement or meeting with existing Directors and key senior management as well as site visit to ensure that he or she understands:

- a. Corporate information – company history, strategic plans, business plans and operations, financial information, major shareholders, corporate communications, business and industry environment, industry players, risk profile and appetite;
- b. Corporate governance framework – board and board committees' structure and charter, code of conduct and ethics, annual work plan, board processes, assurance providers, resources available, key stakeholders, policies and procedures; and
- c. Management information – names and background of key senior management, organisational and management structure.

13.2 The Company will organise or make available from time to time suitable training programs to all the Directors at the Company's expense to enhance and refresh the competencies of the Board members.

**14 Division of Roles Between Chairman of the Board and Chief Executive Officer**

14.1 There must be a clear division of the roles and responsibilities of the Chairman of the Board and the CEO to ensure that there is a balance of power and authority. The Chairman of the Board is responsible for ensuring the Board's effectiveness and conduct as described below whilst the CEO has overall responsibility over the business units and day-to-day management of the Company, organisational effectiveness and implementation of the Board policies, strategies and decisions. The position of the Chairman and the CEO shall be held by different individuals.

14.2 In respect of running the Board, the Chairman is responsible for the following:

- a. The working of the Board;
- b. The balance of membership, subject to the Board and shareholders' approval;
- c. Ensuring that all relevant issues are on the agenda; and
- d. Ensuring that all the Directors are enabled and encouraged to play their full part in the Board's activities. This includes ensuring that the Directors, especially the NEDs receive timely, relevant information tailored to their needs and they are properly briefed on issues arising at Board meetings.

14.3 The responsibilities of the CEO amongst others, are as follows:

- a. To develop and implement corporate strategies for the Group;
- b. To regularly review the heads of divisions and departments who are responsible for all functions contributing to the success of the Group;

- c. To ensure the efficiency and effectiveness of the operations for the Group;
- d. To assess business opportunities which are of potential benefit to the Group;
- e. To oversee the implementation and execution of the Group's economic, environmental, social and governance matters, risks and opportunities;
- f. To bring material and other relevant matters to the attention of the Board in an accurate and timely manner.

## **15 Roles and Responsibilities of the Independent Non-Executive Directors**

- 15.1 The responsibilities of the Independent Non-Executive Directors, amongst others, are as follows:
- a. To provide independent and objective views, advice and judgment to ensure that the interests of the Group, shareholders and stakeholders are well taken into account;
  - b. To bring impartiality and scrutiny to the Board deliberations and decision-making, and also serve to stimulate and challenge the management in an objective manner; and
  - c. To constructively challenge and contribute to the development of the business strategies and direction of the Group.

## **16 Roles and Responsibilities of the Senior Independent Director**

- 16.1 The Board shall identify a Senior Independent Non-Executive Director ("SID") who serves as a point of contact between the Independent Directors and the Chairman of the Board on sensitive issues and acts as a designated contact to whom shareholders' concern or queries may be raised.
- 16.2 The Nomination Committee shall make its recommendation to the Board for approval of the proposed nomination of SID for a term of three (3) years or such other term as may be determined by the Board.
- 16.3 The SID shall have specific responsibilities which include, to:



- a. Serve as a designated contact for consultation and direct communication with shareholders on areas which cannot be resolved through normal channels of contact with the Chairman of the Board or CEO;
- b. Serve as the principal conduit between the Independent Directors and the Chairman of the Board on sensitive matters;
- c. Receive report(s) prepared by employees or external parties for the purpose of whistleblowing in the form as prescribed under the Group's Whistleblowing Policy;
- d. Ensure that all the Independent Directors have the opportunity to provide input on agenda, and advise the Chairman on the quality, quantity and timeliness of the information submitted by management which is necessary or appropriate for the Independent Directors to perform their duties effectively; and
- e. Consult with the Chairman of the Board regarding Board meeting schedules to ensure that the Independent Directors can perform their duties responsibly and with sufficient time for discussion of all agenda items.

**17 Division of Roles between the Board and the Board Committees and between the Board and Management**

17.1 The Board may from time to time establish committees as is considered appropriate to assist in carrying out its duties and responsibilities. At present, the Board has delegated certain functions to the following committees to assist in the execution of its responsibilities:

- a. Audit Committee;
- b. Nomination Committee; and
- c. Remuneration Committee.

(collectively referred to as the "Board Committees").

17.2 The Board Committees operate under their respective Terms of Reference. The Board Committees are authorised by the Board to deal with and deliberate on matters delegated to them within their respective

Terms of Reference, which will be made available for reference on the Company's website. The Chairman of the respective Board Committees reports to the Board on the outcome of the Board Committee meetings and such reports or minutes will be included in the Board papers. The Chairman of the Board shall not act as a member of any Board Committee for the purpose of separation of duties unless there are compelling justifications.

- 17.3 Although the Board has granted discretionary authority to these Board Committees to deliberate and decide on certain operational matters as set out in their respective Terms of Reference, the ultimate responsibility for final decision generally lies with the Board.
- 17.4 There must be a clear division of the duties and responsibilities of the Board and management to ensure that there is a balance of power and authority. The Executive Committee comprising of the CEO, Group Executives, Chief Financial Officer supports the CEO for the purposes of creating, directing, implementing and monitoring the Group's strategic plans which are approved by the Board.
- 17.5 The responsibilities of management include the following:
- a. **Planning** – setting objectives and mission, examining alternatives, and create strategies and plans of action for immediate, short term, medium term and long term;
  - b. **Organising** – organising resources particularly human capital, assembling and coordinating financial, physical, information and other resources needed to achieve the Company's goals and objectives;
  - c. **Directing/Leading** – stimulating high performance by employees, communicating and coordinating with employees to lead and motivate them to work effectively together to achieve the goals and targets of the Company; and
  - d. **Controlling** – setting performance standards and measuring performance, evaluating progress against the goals and targets of the Company and implementing and taking the appropriate actions in accordance with the business plan to achieve the desired outcomes.

## **18     Board Meeting Procedures**

- 18.1   The Board may meet together for the dispatch of business at such time and place, adjourn and otherwise regulate their meetings and proceeding as they see fit subject to the Company's Constitution.
- 18.2   Except in so far as amended by the Board, the following rules of procedure shall apply:
- a.     The Chairman or the Company Secretary on the requisition of a Director, shall at any time summon a meeting of the Committee by giving notice of at least five (5) business days or if the consent of all the members are obtained, by shorter notice or waive the notice altogether.
  - b.     Notice of a Board meeting is deemed to be duly given to a Director if it is given to him or her personally or by post, whether in hard copy or electronic form by electronic communication to his or her address appearing in the Register of Directors or given by him or her to the Company for that purpose.
  - c.     The Chairman of the Board will be responsible for establishing the agenda and supervising the conduct thereof.
  - d.     The quorum necessary for the transaction of business of the Board shall be two (2).
  - e.     Subject to the Constitution of the Company, questions arising at any meeting of the Board shall be decided by a majority of votes. Every Director has one (1) vote. The Chairman shall not have a casting vote.
  - f.     A meeting of the Board may be held either by a number of Directors who constitute a quorum, being assembled together at the place, date and time appointed for the meeting, or by means of instantaneous communication device or mode by which all the Directors participating and constituting a quorum can simultaneously hear each other throughout the meeting, or by a combination of both of the methods set out above.
- 18.3   Notices of Board meetings and any other communication between the Company and the Director including resolutions, supply of information or

documents may be in hard copy sent personally, or through the post at the last known address, in electronic form sent to the Director by electronic communication at the last known electronic address appearing in the Register of Directors or provided by the Director for purposes of communication, or partly in hard copy and partly in electronic form sent to the Director.

## **19 Directors' Circular Resolutions**

- 19.1 A resolution in writing signed by all the Directors excluding any Director who is precluded from voting on the resolution in question, shall be valid and effectual as if it had been passed at a Board meeting. All such resolutions shall be described as "Directors' Circular Resolutions" and shall be forwarded or otherwise delivered to the Company Secretary without delay, and shall be recorded by the Company Secretary in the Company's Minute Book. Any such resolution may consist of several documents in the like form, each signed by one (1) or more Directors or their alternatives.

## **20 Annual Performance Evaluation of the Board, Board Committees and individual Directors**

- 20.1 The Board, through the Nomination Committee, shall conduct an annual evaluation of the size and composition of the Board and the Board Committees, which include the skill sets, experience and knowledge of its members on a periodic basis, to ensure an appropriate balance of skills, experience and diversity. The evaluation is to determine the effectiveness of the Board as a whole and the Board Committees, each individual Director via self and peer evaluation, and on subject of independence of the Independent Directors.

## **21 Code of Conduct**

- 21.1 The Board has in place a "Code of Conduct and Ethics" which is contrived to enhance the standard of corporate governance and behaviour. It applies to all the Directors and employees of the Company and all of its subsidiaries. This is to ensure that all the Directors and employees maintain and enforce high standards of ethics and professional conduct in the performance of their duties and responsibilities throughout the organisation.

## **22 Dealing in Securities**

- 22.1 Insider trading is considered a serious offence because:
- a. It involves the misappropriation and taking advantage of inside information which should rightly belong to the Company;
  - b. The insider unjustly enriches himself or herself to the detriment of others based on inside information;
  - c. It is unfair to the other market participants who are not in the position to gain access to similar inside information; and
  - d. Insider trading injures the overall market confidence of stock market.
- 22.2 A Director is strictly prohibited from dealing in the shares of the Company if in possession of price sensitive information. The Directors are obliged to give notification in respect of any dealings in the shares of the Company during closed and open periods as required under the MMLR of Bursa Malaysia Securities Berhad.

## **23 Conflict of Interest and Transaction involving Directors and Management**

- 23.1 A Director and Executive Committee ("EXCO") member of the Company must avoid a situation in which he or she has or may have a direct or indirect interest which conflicts, or may conflict with the interests of the Company. He or she must not accept benefits from or provide benefits to third parties by reason of his or her office as a Director of the Company or doing something or refraining from doing anything as a Director of the Company.
- 23.2 A Director of the Company, who has been nominated by a major shareholder ("Nominee Director"), while permitted to express his or her views, shall abstain from deliberating and voting at the Board meeting or via circular resolutions and where relevant, at the shareholders' meeting, in respect of a related party transaction which involves the interests, direct or indirect, of his or her nominator or major shareholder.
- 23.3 A Director and EXCO member may be regarded as having a conflict of interest through another legal entity in which he or she is associated with

or through a connected person. As there are various situations where a conflict may reasonably and potentially arise, the Director and EXCO member should take precautions and undertake the necessary steps to disclose and refrain from participating in the discussions and decision-making process.

- 23.4 A Director and EXCO member are required to abstain from deliberating and voting on any matter in which he or she may be deemed interested, directly or indirectly, including any contract or proposed contract or arrangement involving a Group entity.
- 23.5 A Director and EXCO member must declare his or her interests as well as the nature and extent of such interests in any existing or proposed transactions to which the Company is a party.
- 23.6 A member of the EXCO should not be involved or engaged in any activity, role or responsibility which interferes with the proper performance of his or her duties and/or obligations to the Group. In exceptional circumstances where the need arises to assume additional activities, roles or responsibilities outside the Group, the EXCO member shall notify the Company Secretary and obtain prior approval from the Board.

## **24 Whistleblowing Policy and Procedures**

- 24.1 The Board has established and adopted a Whistleblowing Policy which serves as a channel in relation to whistleblowing at work place which enable employees to raise genuine concerns, disclose alleged, suspected or actual wrongdoings or known improper conduct at the workplace on a confidential basis without fear of any form of victimisation, harassment, retribution or retaliation.
- 24.2 The Board is committed to effective risk management and high standards of governance and accountability.

## **25 Anti-Bribery and Corruption Policy**

- 25.1 The Board has oversight of the anti-bribery and corruption framework and policy and is responsible to promote a culture of integrity with zero tolerance for corruption within the Group.

25.2 The Board is committed to preventing, detecting and penalising any corrupt practices, and ensuring that opportunities for bribery and corruption are reduced, if not eliminated. The Board takes a serious view of any breach of the Anti-Bribery and Corruption Policy and will take the appropriate disciplinary actions.

25.3 The Anti-Bribery and Corruption Policy is intended to apply to:

- a. All the Directors within the Group;
- b. All the employees within the Group, including permanent and on contract employees, regardless of their position or role; and
- c. All business associates, including vendors, contractors, sub-contractors, consultant, agents, representatives, and other intermediaries who are performing work or services, for and on behalf of the Group.

## **26 Review of Board Charter**

26.1 This Board Charter shall be reviewed periodically and may be amended by the Board as and when it deems appropriate.

## **27 Confidentiality**

27.1 All papers, resolutions, minutes, reports and deliberations of the Board are strictly and highly confidential.