



EP MANUFACTURING BHD
Registration No. 199601017765 (390116-T)
(Incorporated in Malaysia)

BOARD CHARTER

1.0 OBJECTIVE

The Board of Directors of EP Manufacturing Bhd recognizes corporate governance as important principles and practices and will continue to adopt and uphold good governance practices and social ethics in conducting its business dealings to achieve its corporate mission and enhance shareholders' value. This Board Charter shall constitute and form an integral part of the Directors' duties and responsibilities and procedures for effective functioning of the Board.

2.0 DUTIES AND RESPONSIBILITIES OF THE BOARD

The Board of Directors ("Board") has the overall responsibility of setting and reviewing strategies and policies and ensuring proper management of the Group to optimise long-term financial returns and increase shareholders' value. The Board also has responsibilities towards the Group's customers, employees, suppliers, other stakeholders and the communities where it operates, all of whom are fundamental to successful continuation of the business.

The Board shall assume the following responsibilities:-

1. Establish the value, vision and mission of the Group and develop and review strategic plans to achieve them;
2. Establish policies for strengthening the financial and operational performance of the Group and ensuring proper and effective execution of the policies;
3. Adopting performance measures to monitor implementation and performance of the strategy, policies, plans, legal and fiduciary obligations that affect the business;
4. 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;
5. Ensuring that the Group has appropriate risk management process/framework and adequate internal control systems to identify, analyse, evaluate, manage and control significant financial and business risks;
6. Ensure the conduct of the Group business complies with applicable laws, regulations, rules, directives and guidelines;
7. Formalise the company's strategies on promoting sustainability, focusing on environmental, social and governance aspects;

8. 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;
9. Ensuring that the statutory accounts of the Company and Group are fairly stated and conform with the relevant regulations including acceptable accounting policies that result in balanced and understandable financial statements;
10. Ensuring the integrity of the Company and Group financial and non-financial reporting;
11. Ensuring that there is in place an appropriate succession plan for members of the Board and senior management;
12. Ensuring that the Group adheres to high standards of ethics and corporate behaviour including transparency in the conduct of business;
13. Ensuring that there is in place an appropriate investor relations and communications policy; and
14. Together with senior management, promote good corporate governance culture which reinforces ethical, prudent and professional behaviour.

The duties, power and functions of the Board are governed by the Constitution of the Company, the Companies Act, 2016, Main Market Listing Requirement of Bursa Malaysia Securities Berhad and other regulatory guidelines and requirements that are in force.

Non-Executive Directors

The Board comprises Non-Executive Directors (NED) that provides considerable depth of knowledge gained from experiences across diverse public and private companies.

NED are responsible to advise and direct management in development and evaluation of strategy, monitor operational performance, management's strategy implementation and review the risk management and internal control systems.

Independent NEDs (INEDs) are independent from management and free from any business or relationship, which could materially interfere with the exercise of their independent judgment.

The Independent Directors shall provide independent judgment and objectivity without being subordinated to operational considerations. The Independent Directors are to uphold the interests of all stakeholders and not only the interests of a particular group, and that all relevant matters and issues are objectively and impartially considered by the Board. The views and opinions of the Independent Directors shall carry significant weight in the Board's decision-making process.

If there are any Directors that hold differing views on any matter discussed at a Board Meeting, the Board minutes shall clearly reflect this.

Senior Independent Non-Executive Director (SINED)

Senior Independent Director acts as the point of contact between the Independent Directors and Chairman/COO/CEO on sensitive issues and has been identified as a designated contact to whom shareholders' concerns or queries may be raised, as an alternative to the formal channel of communication with shareholders. SINED also be the focal point for external parties to whistle blow any unethical behaviours or business misconducts by internal parties (including Directors) of the Company and within the Group.

3.0 CODE OF CONDUCT AND ETHICS

Board of Directors are to maintain the highest degree of integrity and professionalism while at the same time promoting transparency and accountability in their actions. The Board had in place “Directors’ Code of Conducts and Ethics” to enhance the standard of corporate governance and behaviour.

4.0 BOARD STRUCTURE

The Board should consist of a minimum of two (2) Directors and maximum of twelve (12) Directors. At least 2 directors or 1/3 of the Board, whichever is higher, shall be independent directors.

The Board shall include an appropriate balance of executive and non-executive directors (including independent non-executives) such that no individual or small group of individual will dominate decision-making. The Board shall identify a senior independent non-executive director to whom concerns may be conveyed.

The tenure of independent director shall not exceed a cumulative term of 9 years. Upon completion of the 9 years, the independent director may continue to serve the Board but subject to the said director be re-designated to non-independent director. In the event, the director is to remain designated as independent director, the Nominating Committee must first assess and recommend to the Board its justifications, and the Board shall review and supports the said justifications and to obtain shareholders’ approval.

New board members are appointed by the full board after considering the recommendation of the Nomination Committee. The new Director shall declare his time commitment and other directorships to the Board upon appointment.

A newly appointed Director shall retire from office and be eligible for re-election by the shareholders at the first annual general meeting after his appointment. All Directors are subject to re-election by the shareholders at least once in every three (3) years subject to the Company’s Articles of Association.

5.0 BOARD MEETINGS AND PROCEDURES

The Board shall meet at least four (4) times a year or more frequently when necessary, with timely circulation of notice of meeting and agenda at least 7 days before the meeting. The Board should record its deliberations and the decisions and resolutions carried at the board meetings. The Board should ensure that the minutes of board meetings are prepared on time and review the minutes to ensure completeness and accuracy.

A formal schedule of matters should be reserved for the Board’s deliberations and decisions to ensure the direction and control of the Company is firmly vested in the Board. The formal schedule of matters, amongst others, shall include:-

- Review and approve strategic direction and business plans.
- Review and approve the financial statements of the Group for timely lodgement and release to relevant authorities and market.
- Review major risks and relevant measures deployed by management to address the risks.
- Establish and delegation of power to board committees and management team.
- Review and approve corporate exercise, restructuring plans, capital expenditure, disposal of capital items and funding requirements.
- Approve the appointment and resignation of directors, company secretary, auditors.

- Review and consider succession plan, evaluation of board and board committees and individual directors based on recommendations of Nomination committee.
- Review recommendation from remuneration committee on remuneration packages of directors.
- Approve the appointment of Executive Committee members.

6.0 CHAIRMAN

The Board may appoint an Executive Chairman who is responsible for the following:-

Responsibilities of Executive Chairman

- (a) Leads the Board and ensure effective performance of the Board;
- (b) Leads the Board Meetings and discussions;
- (c) Ensure provision of accurate, timely and clear information to Directors for effective conduct of board meetings;
- (d) Ensure effective communication with shareholders and relevant stakeholders and ensure that their views are communicated to the Board as a whole;
- (e) Facilitating effective contribution of Non-Executive Directors and ensuring constructive discussions at board meetings;
- (f) Setting agenda for board meetings with the Company Secretary and ensures all relevant issues are on the agenda;
- (g) Facilitate regular evaluation of performance of board members, its committees and individual Directors;
- (h) To ensure that the followings are carried out at board meetings:-
 - All directors are properly briefed on issues arising at board meetings.
 - There is sufficient time allowed for discussion on complex or contentious issues and where appropriate, arranging for informal meetings beforehand to enable thorough preparations.
 - Allow every board resolution to be voted on and to ensure the will of the majority prevails.
 - Chairman to cast his votes in accordance with the prescribed articles of association of the Company.
- (i) Implement and execute policies, strategies and decisions approved by the Board and accountable for the results and performance;
- (j) Ensure performing financial management practices at high level of integrity and business dealings are carried out in an ethical manner in compliance with the laws and regulations;
- (k) Managing the interface between Board and Management;
- (l) Leading the Board in establishing and monitoring good corporate governance practices.

The Board consists of 50% Independent Directors which forms sufficient independent element to strive for independent decision-making.

7.0 BOARD COMMITTEES

The Board may delegate their powers and duties to the following Board committees which shall operate within defined terms of reference:-

7.1 Audit and Risk Management Committee

Audit and Risk Management Committee (“ARMC”) assists the board in fulfilling its oversight responsibilities by reviewing the Group’s financial reporting processes, system of internal controls, audit processes, management of enterprise risk processes and monitoring compliance with applicable laws and regulations and its code of business conduct, as well as such other matters, which may be specifically delegated to the ARMC by the Board, from time to time.

Terms of reference

Composition

The ARMC shall be appointed by the Board of Directors from amongst their number and shall compose of not fewer than three (3) members. All members must be non-executive directors, with a majority of them being independent directors.

At least one member of the ARMC:-

- i) must be a member of the Malaysian Institute of Accountants (MIA); or
- ii) if he is not a member of the MIA, he must have at least 3 years' working experience and:-
 - (a) have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act, 1967; or
 - (b) must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
- iii) fulfils such other requirements as prescribed or approved by the Exchange.

The Chairman of the ARMC shall be an Independent Non-Executive Director and shall not be the Chairman of the Board.

In the event of any vacancy in the ARMC resulting in the non-compliance with Paragraph 15.09(1) of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Board shall appoint a new member within three (3) months.

No former key audit partner of the Company’s external auditors shall be appointed as a member of the ARMC unless the said former key audit partner has observed a cooling-off period of at least three (3) years before being appointed as a member of the ARMC.

The Board of Directors shall review the term of office and the performance of the ARMC and each of its members at least once in every three (3) years.

No alternate Director shall be appointed as a member of the ARMC.

Meetings and reporting procedures

The ARMC shall meet at least four (4) times a year and the quorum shall be at least two (2) persons with majority being Independent Directors.

ARMC member may participate ARMC meeting by means of telephone conference or video conference or any other means of audio/visual communications and the person shall be deemed to be present in person and shall be entitled to vote or be counted in a quorum accordingly.

The ARMC may invite other board members, senior management to attend meetings, including the presence of external auditors, where deemed necessary.

The ARMC shall meet with the external auditors without presence of executive Board members at least once a year. Upon the request of the external auditor, the Chairman of the ARMC shall convene a meeting of the ARMC to consider any matter the external auditors may bring to the attention of the Directors or shareholders.

For good governance, each member must attend at least 50% of the meetings held within the year, failing which Nomination Committee will decide on the member's disqualification.

The Company Secretary shall act as secretary of the ARMC and shall keep the minutes of each ARMC meeting.

A resolution in writing signed or approved by letter or other written electronic communications by the majority of the members who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting. All such resolutions shall be described as "Members' Written Resolutions" and shall be forwarded or otherwise delivered to the Company Secretary without delay and shall be recorded by the Company Secretary in the minutes book. Any such resolution may consist of several documents in like form, each signed by one or more directors.

Authority

The Committee is authorised by the Board to:-

- (i) have authority to investigate any matter within its terms of reference;
- (ii) have the resources and unrestricted access to information which are required to perform its duties;
- (iii) have direct communication with the external auditors, internal auditors and senior management;
- (iv) be able to obtain legal and external independent professional or other advices;
- (v) be able to convene meetings with the external auditors, internal auditors or both, excluding the attendance of other directors or employees, whenever deemed necessary;
- (vi) be able to decide the appointment and removal, scope of work, performance evaluation and budget for the internal audit function.

Duties and functions

Financial Reporting and Systems of Internal Controls:

- (i) Review the quarterly results and annual financial statements of the Company, focusing particularly on:
 - any changes in the accounting policies and practices;
 - significant adjustments arising from the audit;
 - the going concern assumption; and
 - compliance with accounting standards and other legal requirements;
- (ii) Review with external auditors before the audit commences, the audit scope and planning, including any changes to the planned scope of audit;
- (iii) Review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;

- (iv) Review the external and internal audit reports, major audit findings and management response and ensure that appropriate remedial action is taken by management on the audit findings and recommendations;
- (v) Review the assistance given by the Company's officers to the auditors and any issues, difficulties and reservations arising in the course of audit, or any matters the auditors may wish to report or communicate;
- (vi) Review the independence and objectivity of the external auditors and their services rendered, including non-audit services and professional fees;
- (vii) Review the appointment, audit quality and assess the performance of external auditors and internal auditors, the audit fees and any questions of resignation or dismissal;
- (viii) To review and discuss with management, the external auditor and internal auditor the adequacy, effectiveness of or weaknesses of the Company's internal control system, significant findings and recommendations of the auditors, management responses and implementation of corrective actions;
- (ix) To direct and where appropriate, supervise any specific projects or internal investigation and review with management the investigation report;
- (x) Review any related party transactions and conflict of interest situation that may arise within the Company or the Group; and
- (xi) Review any other activities as defined and authorised by the Board.

Risk Management and Internal Control:

- (i) Oversee the establishment and implementation of the Company's risk management framework and activities to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks, including cyber risk and review the effectiveness of the risk management framework;
- (ii) Review, monitor and evaluate the risk appetite and risk tolerance of the Company and the effectiveness of the Company's process for assessing significant risks or exposures and the steps management has taken to minimise such risks;
- (iii) Review the key risks associated with proposed major investments which are subject to the Board's approval as per the Company's Discretionary Authority Limit, prior to the submission of such proposal to the Board;
- (iv) Review and discuss periodically with Senior Management:
 - a. the key guidelines and policies governing the Group's significant processes for risk assessment and risk management;
 - b. the validity of the identified risks and ensuring that appropriate actions are taken to mitigate the risks;
 - c. the adequacy of infrastructure, resources and system for risk management, the staff responsible for implementing risk management system perform those duties efficiently and effectively; and
 - d. the periodical risk rating report and risk management activities.

- (v) Review the disclosure in the statement on risk management and internal control in the Company's Annual Report; and
- (vi) To oversee the implementation and monitoring of the whistleblowing policy and procedures of the Group.

7.2 Nomination Committee

Nomination Committee assesses and recommends to the Board candidature of directors, chairman and evaluates directors on an on-going basis.

Terms of Reference

Composition

The Nomination Committee shall comprise of three (3) members appointed by the Board of Directors, exclusively of non-executive directors, a majority of whom must be independent.

The Chairman of the Nomination Committee shall be an independent non-executive director. The Chairman shall attend all meetings of the committee other than when matters concerning himself are discussed.

The Company Secretary shall be the secretary of the Nomination Committee. The Secretary shall maintain minutes of the proceedings of the Committee and circulate such minutes to Board of Directors.

Responsibilities and authorities

1. Lead the succession planning;
2. Recommend to the Board candidates for all directorships to be filled, taking into consideration the candidates':
 - Skills, knowledge, expertise and experience, age, cultural background, gender;
 - Professionalism;
 - Integrity; and
 - In the case of candidates for the position of independent non-executive directors, the nomination committee should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive directors.
3. Recommend to the board, candidates to fill the seats on board committee and senior management;
4. Assist the board in an annual review of the required mix of skills and experience and other qualities including core competencies which non-executive directors should bring to the board;
5. Annually assess and evaluate the effectiveness of the board as a whole, the board committees and the contribution of each individual director, including independent non-executive directors.
6. Assist the board to establish a clear succession plan, including appointing, training and fixing the compensation.

Selection procedure

1. Where a new Director appointment is required, the Nomination Committee will consider the experience and skills appropriate for an appointee, having regard to those of existing board members.
2. Upon identifying a potential appointee, specific consideration is given to the candidate's competencies, skills, qualifications, independence, other directorships and time availability and the effect of their appointment on the overall balance composition of the Board.
3. The actual decision as to who shall be appointed is the responsibility of the full Board after considering the recommendation of the Nomination Committee.

Meeting

The Committee shall meet at least once a year and from time to time as determined by the members of the Committee and the quorum shall be at least two (2) persons. Written notice of the meeting together with an agenda shall be given to the members of the Committee at least 7 days before the meeting.

7.3 Remuneration Committee

The Remuneration Committee ("RC") sets the policy framework and recommends to the board the remuneration packages of the Directors and Senior Management.

Terms of Reference

Composition

The RC shall be appointed by the Board of Directors from amongst their number and shall compose of not fewer than three (3) members. All members must be non-executive directors, with a majority of them being independent directors. The appointment of a RC member shall automatically be terminated if the member ceases to be a Director for any reason whatsoever or as determined by the Board.

The Chairman of the RC shall be elected amongst Non-Executive Directors who shall be an Independent Director.

Responsibility and authorities

1. To develop and establish with the Board a formal and transparent remuneration framework on the level and structure of remuneration of the Executive Directors and senior management.
2. To review, assess and recommend to the Board the remuneration packages of the Executive Directors and senior management in all its forms, drawing outside advice as necessary. The remuneration packages for Non-Executive Directors shall be a matter for the Board as a whole.
3. To review, assess and recommend if the Executive Chairman, Executive Directors and Senior Management are fairly rewarded for their individual contributions to the Company's overall performance, taking into account the level of executive responsibilities and its appropriateness in light of the Company's performance.

Remuneration Policy

1. The RC shall aim to ensure that the remuneration packages for Directors and Senior Management is robust and effective to attract, motivate, reward and retain the right talent in pursuing and drive the Company's success.
2. Amongst others, the remuneration of Executive Chairman, Executive Directors and Senior Management will be determined taken into consideration the following criteria:
 - Scope of duty, responsibilities, skills and experience required
 - Company's budgets and strategic targets
 - Corporate and individual performance
 - Achievement of annual Key Performance Indicators ("KPIs") (both qualitative and quantitative KPIs)
 - Prevailing market practice and market benchmark
 - General economic situation
 - Extent of contributions, effort and time spent
 - Company's performance in managing material sustainability risks and opportunities
3. The remuneration of Non-Executive Director will be determined based on the prevailing market practice and market benchmark and should not conflict with their obligation in bringing objectivity and independent judgement on matters discussed.
4. The Remuneration Framework are as follows:

Executive Chairman and Executive Directors:

- Fixed Salary
- Directors' Fees
- Performance Based Bonus
- Benefits-in-kind (such as motor vehicle, petrol allowance, provision of driver and provision of mobile devices, etc)
- Other emolument such as reimbursement of expenses incurred, if any, in the course of performing their services
- Directors and Officers Liability Insurance

Non-Executive Directors

- Directors Fees
- Other emolument such as reimbursement of expenses incurred, if any, in the course of performing their services
- Directors and Officers Liability Insurance

Senior Management

- Fixed Salary
- Performance Based Bonus
- Benefits-in-kind (such as motor vehicle, petrol allowance, provision of driver and provision of mobile devices)
- Other emolument such as reimbursement of expenses incurred, if any, in the course of performing their services.

5. Remuneration Procedures are as follows:
 - The remuneration of Executive Chairman, Executive Directors, Non-Executive Directors and Senior Management (collectively, "the parties") shall be the ultimate responsibility of the Board after considering the recommendations from the RC.

- The evaluation on the achievement of each of the KPIs by Senior Management against an agreed performance standard is reviewed by the Executive Director / Group Chief Executive Officer; whilst for Executive Directors and Group Chief Executive Officer is reviewed by the RC and Board.
- The parties shall not participate in determining their own remuneration. The individual parties concerned shall abstain from discussion on his or her own remuneration.
- Remuneration of the parties will be reviewed annually by the Board after taking independent advice of the RC. The Board will then recommend the payment of the Directors' fees and other benefits payable to Non-Executive Directors to the shareholders for approval at each Annual General Meeting of the Company
- Directors' remuneration shall be disclosed on a named and individual basis and by the exact amount, both at the Company level and Group level in the Annual Report.

Meeting

The RC shall meet at least one (1) time a year and the quorum shall be at least two (2) persons. The Chairman may call for additional meetings at any time at the Chairman's discretion.

RC member may participate RC meeting by means of telephone conference or video conference or any other means of audio/visual communications and the person shall be deemed to be present in person and shall be entitled to vote or be counted in a quorum accordingly.

The Company Secretary shall be the secretary of the RC and shall keep the minutes of each RC meeting.

A resolution in writing signed or approved by letter or other written electronic communications by the majority of the members who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting. All such resolutions shall be described as "Members' Written Resolutions" and shall be forwarded or otherwise delivered to the Company Secretary without delay and shall be recorded by the Company Secretary in the minutes book. Any such resolution may consist of several documents in like form, each signed by one or more directors.

Written notice of the meeting together with an agenda shall be given to the members of the Committee at least 7 days before the meeting.

The Chairman shall attend all meetings of the Committee other than when matters concerning himself are discussed. In the absence of the Chairman, the members can elect from amongst themselves the Chairman for the Meeting.

The Chairman of the RC shall report the proceedings, findings and recommendations to the Board of Directors on any matter that should be brought to the Board's attention and approval at the Board meeting.

8.0 COMPANY SECRETARY

The Board to appoint a suitably qualified Company Secretary, who plays an important advisory role to the Board and Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company and Group.

The Company Secretary ensures that discussions and deliberations at the Board and Board Committee meetings are well documented, and subsequently communicated to the relevant key management personnel for appropriate actions.

The Company Secretary shall facilitate the orientation of new directors, assist for Directors' training and development, managing general meeting and as a focal point for stakeholders' communication and engagement on corporate governance.

The Company Secretary shall constantly keep abreast with the evolving regulatory changes and developments in corporate governance and regulations through continuous training. The Board members have full and unlimited access to the professional advice and services of the Company Secretary.

The removal of the Company Secretary shall be a matter for the Board as a whole.

9.0 CONTINUING EDUCATION

Every director shall undergo continuous trainings to equip himself to effectively discharge his duties and refresh competencies by participation in:-

- Seminars and workshops that highlight amongst others, techniques of enhancement of shareholder value, methods of evaluating business performance and capital proposals, updating of regulatory and legislative reforms that impact board and committee work and understanding of financial statements and investment products which the company may be exposed to.
- Industry conference and trade shows which strengthen professional networking and enable the gaining of insights of customers and competitors.
- Field trips to company operations to gain actual knowledge of operations, staff and department.

The Company shall provide an orientation and education program for new directors to the Board as an integral element of the process of appointing new directors. Every new director shall be given a comprehensive understanding on the operations of the Company.

Every director shall undertake the Mandatory Accreditation Programme ("MAP") as prescribed by Bursa Malaysia Securities Berhad Listing Requirements.

10.0 GENERAL MEETINGS

General Meetings are important avenues for shareholders to exercise their ownership rights. The board shall facilitate the exercise of these rights and take reasonable steps to encourage shareholders participation at general meetings, by serving notices for meetings earlier than the minimum notice period required by law and regulation. The board shall disclose all relevant information to shareholders to enable them to exercise their rights at the general meetings and vote in the appropriate manner.

The present of the Chair of board subcommittees shall facilitates conversations and allows shareholders to raise questions and concern directly to those responsible.

The chairman of the meetings shall inform shareholders of their rights to demand a poll vote at the commencement of the general meeting.

11.0 ACCESS TO INFORMATION AND INDEPENDENT ADVICE

The Board shall have the right to access to relevant and required information in the form and manner appropriate for them to discharge their duties effectively. Management shall provide timely and quality information to the Board and where necessary, the Board may obtain independent professional or other advice and services of the Company Secretary at the Company's expense.

12.0 FINANCIAL REPORTING AND INTEGRITY

The Board shall ensure that the financial statements are prepared so as to give a true and fair view of the financial position of the Company and the Group at its financial year end, in accordance with the applicable financial reporting standards, accounting principles generally accepted and the Companies Act, 2016.

The Board should determine the company's level of risk tolerance and ensure that there is an ongoing process for identifying, assessing and managing significant risks faced by the Group. The Management shall carry out risk management review on the Group's operations which covers all aspects of the business activities. The Risk Register shall be reported to and reviewed by the ARMC. The ARMC reports significant risks and control issues to the Board for its consideration.

13.0 INTERNAL AUDIT FUNCTION

The Company outsourced its internal audit function to a firm of consultants which provides the board with the level of assurance required on the adequacy and integrity of the internal control system. The internal audit function adopts a risk-based approach, focusing mainly on key processes and principal risk areas of the operating units.

The objectives of the assignment are to independently review the adequacy of the system of internal control as established by management and make appropriate recommendations for improvement. Quarterly audit were carried out for each financial year and audit findings, recommendations and management responses were reported to ARMC. The ARMC considers the internal audit report before reporting and making recommendation to the board in strengthening the risk management and internal control system.

14.0 INVESTOR RELATION AND EFFECTIVE COMMUNICATION

The Board recognizes the need for effective investor relation and communication with shareholders, stakeholders, financial analysts by providing them with relevant information affecting the Company. The Company adopts an open and transparent policy in respect of its relationship with these stakeholders and ensures timely release of information to shareholders in following manners:-

- Constructive engagements with shareholders and financial analysts about performance, corporate exercises and other matters affecting shareholders' interests;
- Press conference and release of press statement after General Meetings;
- Company's website updated with corporate information and company's activities and performance.

15.0 SOCIAL RESPONSIBILITY AND SUSTAINABILITY

The Board shall establish policies and strategies that promotes sustainability and to fulfill its social responsibility, focusing on the following areas:-

Employees

Employees are invaluable assets of the company and play a vital role in assisting the company to achieve its vision and mission. The Company endeavors to provide a conducive working environment in their workplace by enforcing and adhering to Occupational Safety and Health measures with the objective of ensuring a secured, safe and healthy workplace for all employees. Safety consciousness must be instilled in all operations.

Community

The company should play an important role in contributing towards the welfare of the community in which it operates, and shall continuously identify opportunities supporting charitable causes and initiatives in community development projects.

Environment

The board acknowledges the need to safeguard and minimize the impact of the Company's operations on the environment in the course of achieving the company's objectives. The board supports initiatives on environmental issues, and the Group adopts a comprehensive environmental management system as part of its commitment to protect the environment and contribution towards sustainable development.

16.0 WHISTLE BLOWING

The Company aspires to conduct its business affairs in an ethical, responsible and transparent manner and is committed to the highest standard of integrity, accountability and openness in the conduct of its businesses and operations.

The Board has in place "Whistleblowing Policy" which provides an avenue for all employees of the Company and stakeholders to disclose their concerns in good faith and in accordance with clear procedural guidelines so that issues could be addressed to the appropriate person and proper course of actions could be taken, and also to protect such employees and other stakeholders who report such allegations.

The Company encourages its employees and other stakeholders to report genuine concerns about any malpractice, misconduct, unethical behavior, endangerment of public health, safety and the environment, violation of code of conduct, illegal acts or failure to comply with regulatory requirements which they may become aware. The Company assures that the whistle blower will be protected from any retaliation or adverse impact on his employment or relationship with the Group, provided that the report is made in good faith and without malice.

17.0 APPLICATION OF THE CHARTER

The Board Charter sets out the principles and guidelines that are to be applied in practice by the Board and its Board Committees and lay down in narrative form the detailed role, responsibilities and functions of the proponents of good corporate governance in the Company.

UPDATED AND APPROVED BY THE BOARD ON 25 AUGUST 2023.