



# **SENTORIA GROUP BERHAD**

**建乐集团**

**(Company No. 463344-K)**

## **BOARD CHARTER**

*Approved by the Board on 6 January 2017*

# Board Charter

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# BOARD CHARTER

## 1. Objectives

The overall objective of the Board Charter is to facilitate the Board's discharge of its fiduciary responsibility to effectively lead and manage SENTORIA GROUP BERHAD ("Company") and its subsidiary companies ("Sentoria" or "Group").

This Charter has been developed to:

- summarise and augment the relevant elements of the Articles of Association ("AA");
- provide a clear statement of the roles, responsibilities, processes and operations of the Board for the benefit of both the Board and management; and
- ensure that the practices of the Board are consistent with and reflect the Board's commitment to best practice in corporate governance.

This Charter does not overrule or pre-empt the statutory requirements of Directors enshrined in the Companies Act, 1965, the Income Tax Act 1967 and other relevant statutes, including the conduct of the Board as stipulated in the Articles of Association, the Constitution, of the Company. To the extent of any conflict between the terms of this Charter and a Constitution, that Constitution prevails.

## 2. Role and Responsibilities of the Board

### 2.1 General

**2.1.1** The powers and duties of Directors are set out in the AA, the Companies Act, 1965, and applicable regulatory guidelines and rules.

**2.1.2** The Directors must act in the best interests of Sentoria and to use their best efforts to ensure Sentoria is properly managed and constantly improved.

The **principal responsibilities** of the Board, amongst others, are as follows:

- Reviewing and adopting a strategic plan for the Group;
- Overseeing the conduct of the Group's business and build sustainable value for shareholders;
- Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures;
- Succession planning;
- Overseeing the development and implementation of a shareholder communication policy for the Group; and
- Reviewing the adequacy and integrity of the management information and internal controls system of the Group including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

## **2.2 Specific**

To discharge its responsibilities and to facilitate its on-going oversight of Sentoria, the Board has agreed its role includes, but is not limited to the following matters.

The Board may choose to delegate some of these responsibilities to one or more of its Committees. This will be specifically reflected in the Terms of Reference of the relevant Committees.

### **2.2.1 Strategic Setting, Implementation and Supervisory**

Approving the Group's strategic direction, business planning, budgets, policies, corporate exercises or restructuring plans, monitoring and overseeing the conduct and performance of the Group to ensure it is properly and appropriately managed.

### **2.2.2 Governance and Board Matters**

Reviewing, approving and, where appropriate, revising the delegations of authority from the Board to the Joint Managing Directors and significant delegations from the Joint Managing Directors to executives. The Board notes that these delegations must be clearly defined and be sufficient to empower the Joint Managing Directors and the executive team to manage Sentoria.

Overseeing the work of the Board Committees and developing and implementing formal processes for the Board to assess their performance.

Attending to corporate governance matters including the identification and nomination of new Directors to fill Board vacancies and to any other matters identified as reserved to the Board and ensuring that appropriate plans are in place for the succession planning of the Joint Managing Directors and Board members.

### **2.2.3 Risk Management, Compliance and Internal Controls**

Approving and overseeing the operation of the Group's corporate risk management framework, assessing its effectiveness, understanding and reviewing the major/significant risks facing the Group and monitoring the management, operation, adequacy and effectiveness of the Group's reporting systems and the overall framework of internal controls established by the Joint Managing Directors including operational, accounting and financial reporting controls.

To ensure that compliance with applicable legislation is actively promoted within the Group and reviewing any litigation, actions, transactions and issues, papers and reports to external parties which may impact the Group adversely.

### **2.2.4 Financial**

Overseeing all aspects of the Group's financial position including giving specific attention to the quantum, nature and terms of the Group's debt facilitates and its ability to meet its debts and other obligations as they fall due and approving the quarterly reports, annual audited financial statements, the half year financial statements, and the theme and text of the Group's annual report.

Selecting the Company's external auditors for approval by the members, ratifying the appointment of the internal auditor and approving their respective scopes of work.

Reviewing and monitoring all related party transactions and situations where a conflict of interest may arise.

#### **2.2.5 Personnel**

Reviewing and approving the compensation, equity and incentive schemes in place for the Joint Managing Directors and executives to ensure they are appropriate and competitive in both structure and quantum.

Reviewing, approving and monitoring compliance with the Group's Code of Conduct, which provides guidance regarding ethical behaviour, including approving all proposed revisions or waivers.

### **2.3 Schedule of matters specifically reserved for the Board**

The matters which are specifically reserved for the Board are set out in **EXHIBIT 1** of this Board Charter.

## **3. Relationship Between the Board and Management**

Subject to the formal delegations of authority, the Board delegates responsibility for the operation and management of the Group's business to the Joint Managing Directors and the management team. Management are accountable to the Board and are to fulfil this responsibility through the provision of reports, briefings and presentations on a quarterly basis. The Chief Operating Officer and/or Chief Financial Officer and Heads of Division shall attend Board meetings by standing invitation. Non-Executive Directors may communicate with members of the senior management team at any time.

## **4. Role and Responsibilities of the Chairman**

The Chairman is elected by the Board members to provide leadership and to represent the Board in dealing with the shareholders and other stakeholders. The Chairman is to ensure that the Board is functioning effectively.

The other responsibilities of Chairman, amongst others, are as follows:

- Lead and monitor the workings of the Board, especially the conduct of Board meetings;
- Ensure that all relevant issues for the effective running of the Group's business are on the agenda;
- Ensure that quality information to facilitate decision-making is delivered to Board members on a timely basis;
- Encourage all Directors to play an active role in board activities;
- Chair general meetings of shareholders and ensure effective communication with shareholders and relevant stakeholders; and
- Liaise with the Joint Managing Directors, senior management and the company secretary on the agenda for Board meetings.

## **5. Role and Responsibilities of the Joint Managing Directors**

The Joint Managing Directors are critical to the performance of the Group. They are expected to provide leadership, strategic vision, high-level business judgement and wisdom, and must have the ability to meet immediate performance targets without neglecting longer-term growth opportunities of the Group.

The Joint Managing Directors' responsibilities, amongst others, include the following:

- Meeting the corporate objectives that have been approved by the Board;
- Developing (in conjunction with the Board) and implementing short, medium and long-term corporate strategies for the Group, preparing business plans and reports with senior management and reporting/presenting to the Board on current and future initiatives;
- Managing a team of executives responsible for all functions contributing to the success of the Group;
- Ensuring that the Group has the appropriate risk management practices and policies in place;
- Ensuring the efficient and effective operation of the Group;
- Assessing business opportunities which are of potential benefit to the Group;
- Bringing material and other relevant matters to the attention of the Board in an accurate and timely manner;
- Serving as the chief spokespersons for the Group.

## **6. Separation of functions between the Chairman and the Joint Managing Directors**

The roles of the Chairman and Joint Managing Directors are strictly separated to ensure balance of power and authority and to maintain effective supervision over management.

The balance of responsibilities between the Chairman and the Joint Managing Directors will be regularly reviewed to ensure the division of functions remains appropriate to the needs of the Group.

## **7. Role and Responsibilities of Non-Executive Directors**

**7.1** The primary role of non-executive directors is to act as a bridge between management and stakeholders, particularly shareholders. They are to provide the relevant checks and balances on the acts of the Board, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied.

**7.2** Non-executive directors have responsibilities, amongst others, in the following areas:

- Constructively challenge and contribute to the development of strategy;
- Scrutinize the performance of management in meeting agreed goals and objectives and monitoring, and where necessary removing, senior management and in succession planning (for Non-executive directors who are members of Nomination Committee);

- Satisfy themselves that financial information is accurate and that financial controls and systems of risk management are robust and defensible (for Non-executive directors who are members of the Audit Committee); and
- Determining appropriate levels of remuneration of executive directors and senior management (for Non-executive directors who are members of the Remuneration Committee).

It is up to each non-executive director to reach a view as to what is necessary in particular circumstances to comply with the duty of care, skill and diligence they owe as a director.

## **8. Role and Responsibilities of Company Secretary**

**8.1** The key role of the Company Secretary is to provide unhindered advice and services to the Directors as and when the need arises, to enhance the effective functioning of the Board and to ensure corporate secretarial regulatory compliance. The Company Secretary should be suitably qualified and capable of carrying out the duties required.

**8.2** The other responsibilities of the Company Secretary include:

- (a) Statutory duties as specified under the Companies Act 1965 and Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”);
- (b) Attending Board and Board Committee meetings and ensuring that the Board meetings are properly convened and proceedings are properly recorded;
- (c) Ensuring timely communication of Board level decisions to Management;
- (d) Ensuring that all appointments to the Board and Committees are properly made;
- (e) Maintaining records for the purposes of meeting statutory obligations;
- (f) Facilitating the provision of information as may be requested by the Directors from time to time; and
- (g) Supporting the Board in ensuring adherence to Board policies and procedures.

## **9. Composition**

### **9.1 Size & Composition**

The Board shall be made up of a minimum of three (3) Directors and a maximum of ten (10) Directors pursuant to Article 85 of the Articles of Association of the Company.

The Board composition must comply with Paragraph 15.02 of the Listing Requirements. Hence, the Company must ensure that at least 2 directors or 1/3 of the Board, whichever is the higher, are independent directors. If the number of directors of the Company is not 3 or a multiple of 3, then the number nearest to 1/3 must apply.

### **9.2 Nomination**

The Board has defined, and will keep under on-going review, its skill requirements. The Board will seek to augment its skills as required. Potential Directors will be nominated and recommended by the Nomination Committee for appointment to the Board on the basis of their identified skills, knowledge and experience to meet the needs of the Board at the time their appointment is

proposed. This information will be communicated to members to assist them in their decision whether to confirm the appointment of the nominee.

### **9.3 Re-election and Appointment of Directors**

In accordance with Article 86 of the Articles of Association of the Company, an election of Directors shall take place each year. At the first annual general meeting of the Company all Directors shall retire from office and at every subsequent annual general meeting, 1/3 of the Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to 1/3, shall retire from office and be eligible for re-election, provided always that all Directors shall retire from office once at least in each 3 years but shall be eligible for re-election.

Any new or additional director appointed by the Board during the year shall hold office until the next annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to be retired by rotation at that meeting.

Pursuant to Section 129 of the Companies Act, 1965, Directors who are above the age of 70 years are required to seek re-appointment from shareholders at each annual general meeting and to hold office until the conclusion of the next annual general meeting.

### **9.4 Independence**

Paragraph 1.01 of the Listing Requirements provides that an independent director is one who is independent of management and free from any business or other relationship that could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company. Without limiting the generality of the foregoing, an independent director is one who:

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

## **9.5 Induction**

The Board is to develop an induction procedure for new members, to make sure new members are adequately acquainted with the Board's purpose, responsibilities and practices. This should include provision of a copy of this Charter, and information on the time commitment needed, as well as specific information about the Group. The induction procedure should also include meetings with relevant management. The new directors' induction programme is set out in **EXHIBIT 2** of this Board Charter.

## **9.6 Vacation of Office and Removal of Director**

The office of a director shall become vacant if the director:

- i. Becomes of unsound mind;
- ii. Becomes a bankrupt; or
- iii. Is absent from more than **50%** of the total board of directors' meetings held during a financial year.

When a director is removed from office, the Company must forward to the Bursa a copy of any written representations made by the director in question at the same time as copies of such representations are sent to members of the Company under Section 128(3)(b) of the Act unless copies of such representations have not be sent out by reason for the circumstances specified in Section 128(4) of the Act.

## **10. Directors' Remuneration**

The remuneration policy for Directors is designed to enhance corporate and individual performance. The level of remuneration is determined to attract and retain talented and high calibre Directors.

The Remuneration Committee shall review the remuneration packages annually and make the necessary recommendations to the Board for consideration.

The remuneration of Executive Directors are structured to ensure that the compensation and benefits commensurate with the level of the responsibilities, as well as taking into consideration the Group's performance relative to pre-set Key Performance Indicators.

The remuneration of Non-Executive Directors generally reflect the experience and level of responsibilities undertaken and is a matter for the Board as a whole and thereafter, subject to shareholders' approval.

## **11. Director's Training**

Every Director must ensure that he undergoes continuous training to equip himself to effectively discharge his duties and for that purpose he must ensure that he attends such training programs as may be prescribed by the Exchange from time to time and/or other education programmes.

A newly director shall go through the Mandatory Accreditation Program as required by Bursa Securities and strengthening his understanding of the Group, the business, the environment and markets in which the Group operates.

## **12. Performance Assessment**

The Board recognises that formal and informal reviews of its effectiveness and performance are keys to the improvement of the governance of the Group. The Board

reviews and evaluates its own performance and the performance of its Committees on an annual basis against both measurable and qualitative indicators.

### **13. Shareholders, Stakeholders and Investors Liaison**

The Board recognises and values the importance of effective and clear communication with its shareholders, stakeholders as well as the public. Stakeholders include members, employees, Government funding bodies and the community and all others with whom Sentoria interfaces. It is fully committed to ensuring the highest standards of transparency and accountability in the disclosure of pertinent information relating to the Group.

The methods of communication engaged by the Company are, amongst others, as follows:

- (a) timely announcements and disclosures made to Bursa Securities;
- (b) regular briefings to financial analysts; and
- (c) the Group's website at [www.sentoria.com.my](http://www.sentoria.com.my), which provides ready and up-to-date corporate information pertaining to the Group and its activities.

The AGM is the principal forum for dialogue with shareholders as it provides shareholders with an opportunity to seek clarification from the Board on the Group's business strategy, performance and major developments. In fact, the Board encourages shareholders to participate in the questions and answers sessions at the AGM as well other general meetings.

After an AGM or other general meetings, press conferences are normally held to provide the media an opportunity to receive further updates from the Board on the proceedings of the meetings concerned as well current information of interest about the Group.

All information provided above are within the prescribed disclosure requirements under the Listing Requirements and Corporate Disclosure Guide.

### **14. Board Committees**

The Board may from time to time establish committees to assist it in the discharge of its responsibilities. The Board delegates certain of its governance responsibilities but not its executive function to these committees.

The Board has established the following committees:

- Audit Committee
- Nomination Committee
- Remuneration Committee

Each of the above committees have its own Terms of Reference which are approved by the Board.

Formal minutes of each committee's meeting after confirmation are prepared and circulated to each of the Directors together with a clear list of recommendations and/or other matters and issues discussed, for noting by the Board.

Membership of Board Committees are based on the needs of the Group, relevant legislative and regulatory requirements and the skills and experience of the individual Directors.

Membership of the Audit Committee consisting wholly of Non-Executive Directors while the Nomination and Remuneration Committees consist mainly of Non-Executive Directors.

The Board expects that, over time, the Directors will rotate on and off various committees taking into account the needs of the committees and the experience of the individual Directors.

The role, function, performance and membership of each committee are reviewed by the Nomination Committee on an annual basis.

## **15. Meetings**

Board meetings are held at least **4 times** in a calendar year (to coincide with key dates in the financial reporting calendar) and is determined annually in advance by the Board. The agenda for each meeting is dictated by the needs of the Group at the material time and the matters set out in the annual agenda for attention at a particular meeting.

A Board meeting can be convened by a Director, or the Company Secretary at the request of any Director at any time by giving all Directors seven (7) days' notice in writing. A Board meeting may, with the consent of all Directors, be convened with less notice.

The Board and Board Committees may hold meetings at two or more venues using any technology (for example: teleconferencing) that gives all members of the Board or the relevant Board Committee a reasonable opportunity to participate in the meeting. However, the personal attendance of Board members at meetings is preferred.

### **15.1 Declaration of Interests**

Directors should endeavour to take all reasonable steps to avoid an actual, potential or perceived conflict of interest with the Group's interest. Directors must comply with the requirements of the Companies Act, 1965 and the Code of Conduct and Ethics with respect to the disclosure of actual, potential or perceived conflicts of interest.

Should there be an actual, potential or perceived conflict of interest between the Company or a related corporation and a Director, or an associate of a Director such as a spouse or other family members, or a related company, the Director involved shall make full disclosure and act honestly in the best interest of the Company.

An actual, potential or perceived conflict of interest shall not necessarily disqualify an individual Director from the Board provided that full disclosure of the interest has been made in good faith and with due honesty.

### **15.2 Quorum**

The AA of the Company provides that the quorum for the Board's meetings shall be two (2) members. A quorum must be present at all times during the meeting.

### **15.3 Access to Information**

- All Directors (executive and non-executive) have the same right of access to all information within the Group whether as a full board or in their individual capacity, in furtherance of their duties and responsibilities as Directors of the Company, subject to a formal written request to the Chairman furnishing satisfactory and explicit justification for such request.
- A record of submissions, papers and materials presented to the Board, is maintained and held by the Company Secretary together with minutes of meetings, and is accessible to Directors.

## 16. Independent Professional Advice to Directors

In the furtherance in the performance of duties to the Group, a Director may obtain independent professional advice at cost of the Group provided that the prior approval of the Board was obtained.

## 17. Code of Conduct and Ethics

### • Introduction

The Code is formulated to enhance the standard of corporate governance and corporate behaviour and to ensure the Group's business and activities are conducted with integrity, adherence to the highest ethical standards, and in compliance with the laws.

### • Conflict of Interest

All Directors should endeavour to avoid situations that present a potential or actual conflict between their interest and the interest of the Group.

A "conflict of interest" occurs when a person's private interest interferes in any way, or even appears to interfere, with the interest of the Company, including its subsidiary companies. A conflict of interest can arise when a Director or a Director's family member takes an action or has an interest that may make it difficult for that Director to perform his or her work objectively and effectively. Conflicts of interest may also arise when a Director (or his or her family member) receives improper personal benefits as a result of the Director's position in the Company.

Although it would not be possible to describe every situation in which a conflict of interest may arise, the following are more common conflicts from which Directors must refrain:

#### a) Relationship of Group with third parties

Directors may not knowingly engage in any conduct or activities that are inconsistent with the Group's best interests or that disrupt or impair the Group's relationship with any person or entity with which the Group has or proposes to enter into a business or contractual relationship.

#### b) Compensation from non-Group sources

Directors may not accept compensation (in any form) for services performed for the Group from any source other than the Group.

#### c) Gifts

Directors may not offer, give or receive gifts or other items of value from persons or entities who deal or seek to deal with the Group in those cases where any such gift has the purpose or effect of influencing (or could be perceived as influencing) the Directors' actions as members of the Board, or where acceptance of the gifts could create the appearance of a conflict of interest.

#### d) Personal use of Group's assets

Directors may not use the Group's assets, labour or information for personal use unless approved by the Chairman/person of the Board or as part of a compensation or expense reimbursement program available to all directors.

- **Confidential Information**

Directors should maintain the confidentiality of information entrusted to them by the Group, its customers, consumers or suppliers, except when disclosure is authorised or legally mandated. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Group, its customers, consumers or suppliers, if disclosed.

- **Insider Information and Securities Trading**

Directors who have access to, or knowledge of, material non-public information from or about the Group are prohibited from buying, selling or otherwise trading in the Company's shares or other securities. Directors who acquire material non-public information about another company in the course of service as Directors are prohibited from trading in the securities of that other company. In connection thereto, Directors are also prohibited from directly or indirectly disclosing the said material non-public information to any other person, including family members, other relatives and friends, so that they may trade in the shares or other securities of the Company or that other company.

"Material non-public information" is generally non-public information that a reasonable investor would consider important when deciding to buy or sell securities. The restrictions described here also apply to "price sensitive information" or other similar types of information in jurisdictions where the applicable insider trading laws make reference to those types of information.

Directors are also required to abide by all applicable laws on securities market abuse, which involves spreading false information or engaging in activities designed to manipulate the market for publicly traded securities.

- **Fair Dealing**

Each Director should endeavour to deal fairly with customers, consumers, suppliers, competitors, employees, the public and each other at all times and in accordance with ethical business practices. No one should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

No bribes, kickbacks or other corrupt payments in any form shall be made directly or indirectly to or for anyone for the purpose of obtaining or retaining business or obtaining any other favourable action.

Occasional business gifts of modest value to and entertainment of non-government employees in connection with business discussions or the development of business relationships are generally deemed appropriate in the conduct of the Group's business.

However, no gift or entertainment should be offered or extended if it is illegal, known to be in violation of the rules of the recipient's organisation or would likely result in a feeling or expectation of personal obligation on the part of the recipient.

- **Protection and Proper Use of Group's Assets**

Protecting Group's assets against loss, theft or other misuse is the responsibility of everyone who acts for the Group, including Directors. Loss, theft and misuse of the Group's assets directly impact the Group's profitability. All of the Group's assets should be used solely for legitimate business purposes.

- **Other Legal and Ethical Standards**

In addition to the above, there are many legal and ethical standards that applicable to all persons acting for the Group. Among these are:

- a) The Group is fully committed to mutual respect among all those who act for the Group. The Group does not discriminate against anyone based on race, colour, religion, sex, age, national origin, sexual orientation, veteran status, citizenship status, marital status, parental status, political affiliation or disability.
- b) The Group does not tolerate any form of unlawful harassment, including sexual harassment.
- c) The Group respects and is diligent in protecting the privacy of employees, customers and consumers.
- d) In any dealings with governmental and regulatory authorities, honesty is required of anyone acting for the Group. In the event of a governmental or regulatory inquiry, all records relevant to the inquiry must be preserved.
- e) The Group will not accept or use anyone else's proprietary information that is improperly obtained, and will not copy or otherwise misappropriate others' copyrighted materials.

- **Compliance with Laws, Rules and Regulations**

Directors must comply, and oversee compliance by employees, officers and other directors, with laws, rules and regulations applicable to the Group.

- **Reporting of Any Illegal or Unethical Behaviour**

Directors should promote ethical behaviour and an environment in which the Group encourages employees to talk to supervisors, managers or other appropriate personnel about illegal and unethical behaviour and, when in doubt, about the best course of action in a particular situation. The Group will not tolerate any kind of retaliation for questions, reports or complaints regarding misconduct that were made in good faith.

- **Compliance Procedures**

Directors should communicate any suspected violations of this Code promptly to the Chairman of the Audit Committee. Violations will be investigated by the Board or by persons designated by the Board, and appropriate action will be taken in the event of any violations of the Code.

- **Waivers and Amendments**

Any waiver of any provision or amendment to this Code may only be made by the Board or a Board Committee.

## **18. Corporate Disclosure Policy (and Procedures)**

The Board has adopted a Corporate Disclosure Policy (and Procedures) approved by the Board.

## **19. Diversity Policy**

The Board via the Nomination Committee when assessing potential candidates for appointment as Directors will also consider these candidates in the context of Board balance, gender diversity and size of non-executive participation.

The Board is conscious of meeting the Corporate Governance Blueprint 2011 issued by the Securities Commission on increasing women participation on Boards to reach 30% by 2016. However, the Board believes that given the current state of the Group's development, it is more important to have the right mix of skills at the Board rather than attaining the percentage concerned.

Nevertheless, the Board is committed to provide fair and equal opportunities and nurturing diversity at all levels within the Group.

## **20. Sustainability Policy**

Sustainability efforts and initiatives are embedded in the day-to-day operational activities or are organized via special programs for specific sustainability cause. By achieving a satisfactory balance on bottom-line growth, welfare safeguard of people and community within a harmonious state of the environment, such efforts are intended to benefit the shareholders, investors, operating environment, society, employees, customers, business partners, contractors, suppliers and other stakeholders.

The Group is mindful of the importance of business sustainability in developing the business operations and corporate strategy. In this respect, the Board has always ensured that all aspects of the Group's business which have direct and indirect impacts on the work place, communities and environment are balanced with the interest of the Group's stakeholders.

## **21. Review of the Board Charter**

The Board will review this Charter and the Terms of Reference of its Committees periodically and make any necessary or desirable amendments or enhancements from time to time to ensure they remain consistent with the Board's objectives and responsibilities, current legal and regulatory requirements and best practices.

This Board Charter is not an "all inclusive" documents and should be read as a broad expression of principles.

## **EXHIBIT 1**

### **SCHEDULE OF MATTERS SPECIFICALLY RESERVED FOR THE BOARD**

The Board reserves a formal schedule of matters for its decision to ensure that the direction and control of the Company is firmly vested in its hands. Matters which are specifically reserved for the Board include the following:

#### **a. Direction and strategy setting**

- i. Reviewing and approving the business plans including strategy, policies and annual budgets.
- ii. Oversight of the Company's strategic direction and ensuring Management implementation of decisions of the Board.
- iii. Performance assessment in line with the Company's strategy and ensuring that any necessary corrective action is taken.
- iv. Decision making in relation to matters of an extraordinary nature.

#### **b. Structure and capital**

- i. Approving decisions regarding the capital of the Company, including capital restructuring and corporate restructuring.
- ii. Any changes to the Company's listings or its status as a public listed company.

#### **c. Financial reporting and monitoring**

- i. Approval of preliminary announcements of interim and final results.
- ii. Approval of the Annual Report and Accounts, including the Corporate Governance Statement, Statement of Internal Controls and Responsibility Statement in respect of Audited Financial Statements.
- iii. Determining dividend policy and approving dividends.
- iv. Approval of any significant changes in accounting policies or practices.
- v. Approval of treasury policies concerning foreign exchange risk, banking arrangements, and financial instruments.

#### **d. Risk management and internal controls**

- i. Ultimate responsibility for risk oversight and risk management.
- ii. Approval of the risk management policy.
- iii. Approval of risk parameters, risk profiles, risk treatment options, and risk action plans for key risks.
- iv. Monitoring the integrity of internal controls and risk management framework.

**e. Capital management**

- i. Approving major capital expenditure, acquisitions and divestments.

**f. Communication to shareholders**

- i. Approval of resolutions and related documentation to be put forward to shareholders at a general meeting.
- ii. Reporting to shareholders.

**g. Appointment of Board membership and other relevant parties**

- i. Board appointments and removals, selection of the Chairman, Senior Independent Director and Chief Executive, membership and chairmanship of Board Committees, following recommendations from the Nomination Committee.
- ii. Succession planning.
- iii. Appointment or removal of the Company Secretary.
- iv. Appointment, reappointment or removal of the external auditor to be put to shareholders for approval, following the recommendation of the Audit Committee.

**h. Remuneration**

- i. Approving the remuneration policies and practices for Senior Management.
- ii. Determining the emolument and benefits of the Directors.

**i. Delegation of Authority**

- i. The division of responsibilities between the Chairman and the Managing Director ('MD').
- ii. Approval of terms of reference of Board Committees.

**j. Corporate governance matters**

- i. Ensure appropriate corporate governance structure is in place.
- ii. Determining the independence of Directors.

**k. Others**

- i. Settlement of litigation involving amounts in excess of that delegated to Management or being otherwise material to the interests of the Company.
- ii. Any other specific matters nominated by the Board from time to time.

## EXHIBIT 2

### THE NEW DIRECTORS' INDUCTION PROGRAMME

Name of New Director: \_\_\_\_\_

|    |  | Status |
|----|--|--------|
| 1. | Provide copies of:   |        |
|    | <ul style="list-style-type: none"><li>• The Board's terms of reference and recent board minutes</li></ul>  |        |
|    | <ul style="list-style-type: none"><li>• Relevant company policies, including the code of conduct and whistle- blowing policy</li></ul>                         |        |
|    | <ul style="list-style-type: none"><li>• The most recent annual and interim reports to shareholders</li></ul>   |        |
|    | <ul style="list-style-type: none"><li>• Management's and any auditor's report on the effectiveness of internal control over financial reporting</li></ul>      |        |
|    | <ul style="list-style-type: none"><li>• Recent press releases, material change reports and correspondence with any securities regulatory authorities</li></ul> |        |
| 2. | Briefing by management / internal auditor of the company's control, risk management and compliance framework;  |        |
| 3. | Site visits to major operating locations;  |        |
| 4. | Meeting with management to discuss current issues including litigation; and  |        |
| 5. | Being introduced to the internal and external auditors.  |        |