

ASIA BRANDS

ASIA BRANDS BERHAD

(Company No: 22414-V)

BOARD CHARTER

1. Introduction

1.1 The Board of Directors (“the Board”) of **Asia Brands Berhad** (“ABB” or “the Company”) recognizes good corporate governance as vitally important to the success of the Company's business and are unreservedly committed to applying the principles necessary as well as the recommendations of the Malaysian Code on Corporate Governance (“the Code”) to ensure that the standards of corporate governance are practiced in all of its business dealings to protect and enhance shareholders’ and relevant stakeholders’ values.

1.2 The Board Charter:

- serves as a source reference for the Board;
- serves to provide guidance and clarity for the Board’s roles and responsibilities as well as the powers between the Board and the Management, the different committees established by the Board, between the Chairman and Chief Executive Officer;
- sets out processes and procedures for convening of Board Meetings;
- assists the Board in the assessment of its own performance and that of its individual directors.

1.3 The Board derives its authority to act from the Memorandum and Articles of Association of the Company and the law and regulations governing companies in Malaysia.

1.4 The Board is the ultimate decision-making body.



2. Roles and Responsibilities of the Board

- 2.1 The Board is charged with leading and managing the Company in an effective and responsible manner. Each director has a legal duty to act in the best interest of the Company. The directors, collectively and individually, are aware of their responsibilities to the shareholders and stakeholders for the manner in which the affairs of the Company are managed.
- 2.2 The Board is explicitly responsible for the stewardship of the business and affairs of the Company and in discharging its obligations on behalf of the shareholders. The Board assumes responsibility in the following areas:-
 - 2.2.1 review and adopt the business plan and overall strategic directions for the Company and to establish Company goals and ensure that the strategies are in place to achieve them;
 - 2.2.2 ensure that a comprehensive system of policies and procedures is operative;
 - 2.2.3 ensure ethical behaviour and compliance with relevant laws and regulations, audit and accounting principles, and the Company's own governing documents and codes of conduct;
 - 2.2.4 define levels of materiality, reserve specific powers to the Board and delegate other matters with the necessary written authority to management and instituted effective mechanisms that ensure Board responsibility for management performance of its functions;
 - 2.2.5 be aware of, and commit to, the underlying principles of good governance and that compliance with corporate governance principles is reviewed regularly;
 - 2.2.6 approve specific financial and non-financial objectives and policies proposed by management relevant to the business;
 - 2.2.7 ensure that the Company's financial statements are true and fair and conform to any applicable laws and/or regulations;
 - 2.2.8 review processes for the identification and management of business risk and processes for compliance with key regulatory and legal areas and ensure the implementation of appropriate systems to manage risks;
 - 2.2.9 delegate authority for capital expenditure and review investment, capital and funding proposals are reserved for Board approval;

2. Roles and Responsibilities of the Board

- 2.2.10 review succession planning for the Management team and endorse senior executive appointments, organisational changes and high level remuneration issues;
 - 2.2.11 provide oversight of performance against targets and objectives;
 - 2.2.12 provide oversight of reporting to shareholders on the direction, governance and performance of the Company as well as other processes that need reporting and other disclosure requirements.
 - 2.2.13 review the adequacy and integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines; and
 - 2.2.14 decide on necessary steps to protect the Company's financial position and the ability to meet its debts and other obligations when they fall due, and to ensure that such steps are taken.
- 2.3 In the normal course of events, the day-to-day management of the Company will be in the hands of the Management and under the stewardship of the Chief Executive Officer.
- 2.4 Any member of the Board may request for independent professional advice in the discharge of his/her fiduciary duties by forwarding a request to the executive director of the Company who will then direct the same to an external service provider. The expenses incurred in this connection shall be borne by the Company.



3. The Board

3.1 Board composition

- 3.1.1 The number of directors shall not be less than two (2) or more than twenty (20) as set out in the Company's Articles of Association.
- 3.1.2 Unless otherwise determined by the Company in the general meeting, at least two (2) directors or one-third (1/3) of the Board, whichever is the higher, shall comprise Independent Directors as required in the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").
- 3.1.3 The Board shall consist of individuals with diverse background who are equipped with sufficient professional and technical knowledge, to effectively represent the interests of shareholders in setting the Company's strategy and ensuring its implementation.
- 3.1.4 Non-executive directors will be expected to meaningfully contribute to the Board's deliberations. The non-executive directors will be independent of the Management and free from any business or other relationship which could materially interfere with the exercise of their independent judgment.
- 3.1.5 Executive directors will be engaged under service contracts. Upon the expiry of his or her tenure as stipulated in the service contract, the Board may also, with the recommendation of the Nomination and Remuneration Committee and if considered appropriate, appoint him as a non-executive director until the conclusion of the next annual general meeting, whereby he shall be eligible to offer himself for re-election.
- 3.1.6 Qualifications for membership of the Board are:-
- (a) an appropriate knowledge, understanding and experience of the conduct of the business, as well as the laws, customs and values that govern the activities of the organisation;
 - (b) the ability to make sensible and informed business decisions and recommendations;
 - (c) ability to raise constructive queries;
 - (d) high ethical standards and sound practical sense;
 - (e) ability to see the wider picture and perspective,
 - (f) integrity in personal and business dealings; and
 - (g) commitment to furthering the interests of the shareholders and the achievement of the Company's goals.

3.2 Chairman of the Board

3.2.1 The Board will appoint a Chairman from the directors.

3.2.2 The Chairman is responsible for:-

- (a) leadership of the Board;
- (b) overseeing the effective discharge of the Board's supervisory role;
- (c) facilitating the effective contribution of all directors;
- (d) conducting Board meetings;
- (e) briefing all the directors in relation to issues arising at meetings;
- (f) scheduling regular and effective evaluations of the Board's performance;
- (g) promoting constructive and respectful relations between Board members and between the Board and the Management;
- (h) representing the Board to shareholders;
- (i) ensuring the integrity and effectiveness of the governance process of the Board; and
- (j) maintaining regular dialogue with the Board over all operational matters and consulting with the Board promptly over any matter that gives him or her cause for concern.

3.2.3 The Chairman will act as facilitator at meetings of the Board to ensure that no director, whether executive or non-executive, dominates discussions during board proceedings.

3.3 Chief Executive Officer

3.3.1 The Chief Executive Officer is considered an individual who is involved in the day-to-day management of the Company; and/or is a full-time salaried employee of the Company and/or its subsidiary companies.

3.3.2 The Chief Executive Officer is, in essence, the conduit between the Management and the Board in ensuring the effectiveness and success of the Company's management and governance function. Chief Executive Officer is responsible for the effective implementation of the Group's strategic plan and policies established by the Board as well as to manage the daily conduct of the business to ensure its smooth and efficient operations.

3.3.3 The Chief Executive Officer is accountable to the Board for the achievement of the Group's goals and objectives and he/she is accountable to the Board for the observance of Management's limits of authority.

3.3.4 At each of its scheduled meetings, the Board should expect to receive from or through the Chief Executive Officer:-

- summary reports on the performance and activities of the Group and specific proposals for capital expenditure acquisitions and disposals; and

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

3.3.6 Generally, the Chief Executive Officer is responsible for:-

- (a) executive management of the Group's business, covering, inter-alia, the development of a sustainable strategic plan, an annual operating plan and budget, performance benchmarks to gauge Management's performance, and an analysis of management reports;
- (b) developing long-term strategic and short-term profit plans designed to ensure that the Group's requirements for growth, profitability and return on capital are achieved;
- (c) all material matters that affect or could effect shareholders and the markets in which the shareholders' interest are traded;
- (d) the effectiveness of the organisation and its management against relevant benchmarks;
- (e) directing and controlling all aspects of the business operations in a cost effective manner;
- (f) review of succession planning for the Company, and ensure that the systems thereof are in place;
- (g) developing the strategic direction of the Group and ensuring that the Group's strategies and corporate policies are effectively implemented;
- (h) effectively overseeing the human resource of the organisation with respect to key positions in the Group hierarchy and ensuring the general well-being of employees, including the determination of remuneration as well as terms and conditions of employment for Senior Management personnel and issues pertaining to discipline of all employees;
- (i) effectively representing the interest of the Group with major customers, governments and their agencies, and industries at large, to ensure general goodwill towards the Group and cooperation in planned development;
- (j) assuring that the Group, corporate identity, products and services are of high standards and are reflective of the market environment;
- (k) ensuring compliance with all relevant legislation and regulations by reviewing policies and monitoring compliance;
- (l) providing assistance to members of the Audit Committee and Nomination and Remuneration Committee, as required, in discharging their duties;
- (m) assisting the Chairman in organising information necessary for the Board to deal with the agenda and for providing such information to directors on a timely basis; and
- (n) ensuring the day-to-day business affairs of the Group are effectively managed.

3.4 Non-Executive Director

3.4.1 A non-executive director is considered an individual who:-

- is not an employee of the Company or affiliated with the Company in any other way and are not involved in the day-to-day running of business but may have pecuniary interest in the Company, whether direct or indirect; and/or
- is not a full-time salaried employee of the Company or its subsidiary companies; and/or
- is not an employee of the Company but is standing as a nominee for substantial shareholders; and/or
- has no direct or indirect pecuniary interest in the Company other than their directors' emoluments and their "permitted" holdings of shares in the Company.

3.4.2 The role of the non-executive director is frequently described as having two (2) principal components: monitoring executive authority and contributing to the development of strategy.

3.4.3 The role of the non-executive director can be further clarified as follows:-

- (a) **Strategy:** Constructively challenge and contribute to the development of strategy.
- (b) **Performance:** Scrutinize the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance.
- (c) **Risk:** Satisfy themselves that the financial information presented is accurate and that financial controls as well as systems of risk management are robust and defensible.
- (d) **People:** Responsible for determining appropriate levels of remuneration of executive director and have a prime role in appointing, and where necessary, removing Senior Management as well as succession planning.

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

3.5 Independent Non-Executive Director

3.5.1 An independent non-executive director is considered an individual who:-

- is not a representative of a shareholder who has the ability to control or significantly influence Management;
- has not been employed by the Company or the Group of which it currently forms part, in any executive capacity for the preceding three (3) financial years;
- is not a member of the immediate family of an individual who is, or has been in any of the past three (3) financial years, employed by the Company in an executive capacity;
- is not a professional advisor to the Company other than in a director capacity;
- is not a significant supplier to, or customer of, the Company;
- has no significant contractual relationship with the Company;
- is free from any business or other relationship which could be seen to materially interfere with the individual's capacity to act in an independent manner and exercise an objective judgement; and
- is a person qualified under the Companies Act and MMLR of Bursa Securities.

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

3.5.3 An independent non-executive director is especially important in areas where the interests of Management, the Company and/ or the shareholders diverge, such as executive performance and remuneration, related party transactions and audit.

3.7 Time Period of Office

- 3.7.1 Board members have no fixed term of appointment but are subject to retirement by rotation every three (3) years.
- 3.7.2 Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the next annual general meeting of the Company. He/she shall then be eligible for re-election but shall not be taken into account in determining the directors who are to retire by rotation at that meeting.
- 3.7.3 In accordance with the Company's Articles of Association, one-third (1/3) of the directors or if their number is not a multiple of three (3), then the number nearest to one-third (1/3), are required to retire from office at the annual general meeting in every subsequent year. The retiring director may offer himself/herself for re-election.
- 3.7.4 Non-executive director shall agree to consult the Chairman in regard to external appointments. While the Board encourages its executive director to accept outside appointments to other boards, this must first be discussed with the Chairman, and will be considered to the extent that it is not in conflict with the business and will not detrimentally affect their executive responsibilities.
- 3.7.5 Directors who are over the age of 70 years shall retire at every annual general meeting and may offer themselves for re-appointment to hold office until the next annual general meeting pursuant to Section 129(2) of the Companies Act, 1965.

3.8 Board Committees

- 3.8.1 To assist the Board in carrying out its duties and responsibilities. The Board has established the following Board Committees, each with clearly defined Terms of Reference in order to enhance corporate efficiency and effectiveness:-
 - (a) Audit Committee; and
 - (b) Nomination and Remuneration Committee.
- 3.8.2 These Board Committees undertake in-depth deliberation of the issues at hand before tabling recommendations thereon to the Board.
- 3.8.3 Each Committee has an obligation to report on its meetings to the Board, and minutes of all Committee meetings shall be made available to all Directors.

3.8.4 The Management and third parties are co-opted to the Committees as and when required.

3.8.5 The Board may also delegate specific functions to ad hoc committees as and when required.

3.8.6 The purpose and membership of the Board committees are as follows:

(a) Audit Committee

The Audit Committee assists and supports the Board's responsibility to oversee the Group's operations by providing a means for review of the Group's processes for producing financial data, its internal controls, risk management activities and independence of the Group's external and internal auditors.

(b) Nomination and Remuneration Committee

The Nomination and Remuneration Committee recommends to the Board the policy framework and remuneration and benefits extended to individual executive directors. Non-executive directors' remuneration will be a matter to be decided by the Board as a whole, with the directors concerned abstaining from deliberation and voting in respect of their remuneration.

The Nomination and Remuneration Committee also oversees matters relating to the nomination of new directors, annually reviews the required mix of skills, experience, independence assessment of independent directors, reviews succession plans and boardroom diversity; oversees training courses for directors and other requisite qualities of directors, as well as the annual assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual director.



3.9 Nomination and Appointment

- 3.9.1 The Nomination and Remuneration Committee is responsible for the assessment and nomination of potential new directors.
- 3.9.2 The Company's Memorandum and Articles of Association governs the regulations and proceedings of the Board. The Board, together with the Nomination and Remuneration Committee, determine the size and composition of the Board subject to the terms of the Company's Memorandum and Articles of Association.
- 3.9.3 The appointment of a new director or Chief Executive Officer is a matter for consideration and decision by the full Board upon appropriate recommendation from the Nomination and Remuneration Committee.
- 3.9.4 On the appointment of new director, the new director is required to commit sufficient time to attend to the Company's matters before accepting his appointment to the Board.
- 3.9.5 Directors are required to notify the Chairman before accepting any new directorship and to indicate the time expected to be spent on the new appointment. The number of directorships held by any Board member at any one time shall not exceed five (5) in listed companies.

3.10 Independence

- 3.10.1 A director will be considered independent if he is free from any business or other relationship that could materially interfere with, or could reasonable be perceived to materially interfere with, the exercise of his independent judgment.
- 3.10.2 The tenure of an independent director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the Board subject to the director's redesignation as a non-independent director.
- 3.10.3 In the event the director were to remain designated as an independent director, the Board shall first justify this position and obtain shareholders' approval.
- 3.10.4 The Board to undertake an assessment of its independent directors annually focusing beyond the independent director's background, economics and family relationships and considering whether the independent director can continue to bring independent and objective judgment to board deliberations.

3.11 Shareholdings by Board Members in the Company

- 3.11.1 Board members may hold shares in the Company. Any transactions involving the shares of the Company, be it buying, selling or transfer to third party, shall require Board members to strictly observe the disclosure requirements and/or provisions under the Companies Act, 1965, MMLR of Bursa Securities and all other relevant legislative and regulatory requirements.
- 3.11.2 An independent director of the Company may not be a major shareholder of the Company who hold 10% or more of the aggregate of the nominal amounts of all the voting shares in the Company or 5% or more of the aggregate of the nominal amounts of all voting shares in the Company where such director is the largest shareholder of the Company.
- 3.11.3 A list of the directors' dealings for the applicable financial period shall be tabled by the Company Secretary at every quarterly Board meetings of the Company whereupon the Board members are obliged to verify/confirm their prevailing shareholdings and movement of shareholdings.

3.12 Provision of Business or Professional Services by Directors

- 3.12.1 Directors shall not provide business or professional services of an ongoing nature to the Company.
- 3.12.2 The Company is at liberty to:
- engage the services of any director having special expertise in the particular field for the purpose of a special assignment; or
 - engage the services of a party related to a directors of an organization;
- so long as the terms of engagement are competitive, clearly recorded and all legal requirements for disclosure of the engagement are properly observed.

3.13 Board Appointment in Other Companies

- 3.13.1 Directors are expected to devote sufficient time and attention to the affairs of the Company. Any director is, while holding office, at liberty to accept other Board appointment(s) in other companies so long as the appointment is not in conflict with the Company's business and does not affect the discharge of his or her duty as a director of the Company.
- 3.13.2 The Board shall set out expectations on time commitment for its members and protocols for accepting new directorships. In this instance, Board members are expected to achieve at least 50% attendance of total Board meetings in any applicable financial year, with appropriate leave of absence duly communicated to the Chairman of the Board and/or Company Secretary, where applicable.

3.14 Code of Conduct and Ethics

- 3.14.1 The Company's Code of Conduct and Ethics is to be observed by all directors when they represent the Company.

3.15 Directors' Training and Continuing Education Programmes

- 3.15.1 Directors constantly participate in relevant training, education programmes and events in order to keep themselves abreast of the latest economic, technological and industry-related developments with a view to continuing to discharge their duties and responsibilities effectively.
- 3.15.2. Directors are required to undergo the mandatory accreditation programme under the auspices of Bursa Securities. In addition, directors are required to attend relevant training courses/ seminars at periodic intervals to keep them updated on developments pertaining to the oversight function of directors as well as technical matters, for example, financial reporting standards, tax budgets, etc. The Nomination and Remuneration Committee in association with the Company Secretary shall decide on the continuous education training programme for directors.
- 3.15.3 At the start of each year, the Board collectively should discuss to assess the training needs of each director and to decide on the type of training that may be required for effective and efficient discharge of directors' duties and responsibilities.
- 3.15.4 The costs of mandatory accreditation programme and/ or continuing education program and/or induction shall be borne by the Company.
- 3.15.5 All trainings attended by directors shall be disclosed in the Annual Report. In special circumstances, valid justifications for non-attendance at any of the trainings shall also be disclosed.

4. Process and Procedure for Board Meetings

4.1 Meetings

- 4.1.1 Board members will use their best endeavors to attend Board meetings. Board members are expected to participate fully, frankly and constructively in Board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the Board table. Board members who are unable to attend shall advise the Chairman at an early date, and confirm in writing to the Company Secretary.
- 4.1.2 The Board holds at least four (4) regular meetings per year. Additional meetings may be scheduled if necessary to discuss and resolve issues on urgent basis. Meetings are called with a sufficient notice period. Participation via telephone is permitted. Directors are expected to attend all Board meetings and meetings of committees of the Board on which they serve. Board members are also expected to spend the time needed to discharge their responsibilities appropriately.
- 4.1.3 Unless varied by the terms of reference, meetings and proceedings of the Board will be governed by the Company's Articles of Association.
- 4.1.4 The Board may invite external parties such as auditors (both internal and/or external auditors), solicitors or consultants as and when the need arises. Such invited parties may attend part or all of the Board meetings at the discretion of the Board.
- 4.1.5 Board discussions will be open and constructive, recognizing that genuinely held differences of opinion could bring greater clarity and lead to better decisions. The Chairman will, nevertheless, seek consensus within the Board but may, where considered necessary, call for a vote. All discussions and their records will remain confidential unless there is a specific direction from the Board to the contrary, or disclosure is required by law. Subject to legal or regulatory requirements, the Board will decide the manner and timing of the publication of its decisions.
- 4.1.6 The Board has sole authority over its agenda and exercises this through the Chairman of the Board. Any director may, through the Chairman, request the addition of an item to the agenda.
- 4.1.7 Directors are entitled to have access to all relevant company information and to the Management at all reasonable times.

4.2 Notice of Meeting, Agenda and Board Papers

4.2.1 The Company Secretary prepares the notice of meeting and the agenda for each meeting. The Company generally adopts the Company's Articles of Association for disseminating notice of meeting and the agenda. The appropriate preparatory Board papers are sent to the Board members in advance to allow time for adequate meeting preparation.

4.2.2 Minutes of all Board meetings are properly recorded in substantial detail and length, including issues discussed in arriving at decisions. The minutes shall be reviewed and approved by the members of the Board.

5. Company Secretary

5.1 The appointment and removal of the Company Secretary shall be a matter of the Board as a whole. The Board recognises the fact that the Company Secretary should be suitably qualified and capable of carrying out the duties required of the post.

5.2 The key role of the Company Secretary is to provide unimpeded advice and services for the Directors, as and when the need arises, to enhance the effective functioning of the Board.

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

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

5.5 Primary responsibilities of the Company Secretary shall include:

- (a) ensuring that Board procedures and applicable rules are observed;
- (b) maintaining records of the Board and ensuring effective Management of the organisation's records;
- (c) preparing comprehensive minutes to document Board proceedings and ensure conclusions are accurately recorded;
- (d) timely dissemination of information relevant to directors' roles and functions and keeping them updated on new or evolving regulatory requirements; and
- (e) carrying out other functions as deemed appropriate by the Board from time to time.

6. Directors' Remuneration

- 6.1 The Board recognises that the levels and make-up of remuneration should be sufficient to attract and retain the directors needed to run the Group successfully. The remuneration package of the executive directors is structured to link reward to corporate and individual performance. The level of remuneration for non-executive directors is subject to the experience and responsibilities undertaken by them.
- 6.2 The Nomination and Remuneration Committee recommends the remuneration package for the executive directors to the Board for approval. The executive directors abstain from deliberation and voting on decisions in respect of their own remuneration.
- 6.3 Directors are paid yearly fees that are determined by the Board and approved at the annual general meeting.
- 6.4 The Chairman of the Board will be paid a level of fee appropriate to his or her office.
- 6.5 A formal and transparent procedure must be established for developing policy on executive remuneration and for fixing the remuneration packages of individual Board members.
- 6.6 The Board should report to the shareholders on remuneration and this should be included in the annual report and accounts.

7. Relationship with Management

- 7.1 All directors are provided with the necessary information relating to the business, operations and financial matters of the Company.
- 7.2 The Board will link the Company's governance and management functions through the Chairman with the Chief Executive Officer. All Board authority conferred on Management is delegated through the Chief Executive Officer so that the authority and accountability of Management is considered to be the authority and accountability of the Chief Executive Officer so far as the Board is concerned.
- 7.3 All directors have full and unrestricted access to the Management within the Company and are entitled to the advice and services of the Company Secretary. Further, directors may obtain independent professional advice relating to the affairs of the Company where necessary at the Company's expense, in order for them to discharge their responsibilities.

8. Board and Member Assessment

- 8.1 The Nomination and Remuneration Committee is given the responsibility to annually review the activities and effectiveness of the Board and the Board Members. The Chairman of the Nomination and Remuneration Committee oversees the overall evaluation process.
- 8.2 The Nomination and Remuneration Committee is required to report annually an assessment of the “*Self Evaluation for Board Effectiveness*” and “*Self-Evaluation for Board Competencies*”. The assessment report will be discussed with the full Board.
- 8.3 The performance of the executive director and Group Chief Executive Officer are assessed based on the KPIs approved by the Board.

9. Communication Between Board and Shareholders

- 9.1 The Board recognises the importance of effective communication with shareholders, investors and the public in general. In this respect, the Board keeps shareholders, investors and the public informed through announcements, releases of quarterly financial results, annual reports, circulars and general meetings. A shareholders’ communication policy has been implemented to handle the process of dealing with and responding to queries from its shareholders.
- 9.2 The annual general meeting is the principal forum for communication with shareholders. The notices of the annual general meeting and annual reports are sent out to shareholders at least 21 days before the annual general meeting.

10. Management of Risks

- 10.1 The Board regards risk management as an integral part of the business operation and had always considered good management of risks as a key factor in the development of corporate strategies and investment decisions.
- 10.2 The objective of risk management is to identify, assess, manage and monitor the risks to which the business is exposed – internally and externally.
- 10.3 The Board must appreciate the business risk issues and key performance indicators affecting the ability of the company to achieve its strategic purpose and objectives.
- 10.4 The Board must ensure that appropriate systems are in place to manage the identified risks, measure the impact and to proactively manage it, so that the company’s assets and reputation are suitably protected.

11. Review of Board Charter

The Board will periodically review this Charter to ensure it remains consistent with the Board’s objectives and responsibilities and any new regulations that may have an impact on the discharge of the Board’s responsibilities.

CODE OF CONDUCT AND ETHICS

INTRODUCTION

The Board has adopted this Code of Conduct for the Directors of the Company (“Code”). The Code covers a wide range of business practices and procedures. It does not cover every issue that may arise but sets out basic principles to guide all the Directors of the Company and its subsidiary companies.

Appropriate standards of conduct and ethical behaviour are fundamental to the preservation of the Company’s reputation and the success of its operations. Directors consider that the highest standards of business conduct and ethical behaviour should govern the exercise of their duties and responsibilities as Directors of the Company. This Code describes the standards of business conduct and ethical behaviour for Directors in the performance and exercise of their responsibilities as Directors of the Company or when representing the Company.

Accordingly, this Code is established to reflect the Board’s commitment to such standards. No code can offer a complete guide to cover all possible situations that might be encountered, and the Directors must exercise judgment in applying the principles embodied in this Code to any particular situation. The provisions of this Code are in addition to, and not in substitution for, any obligation imposed upon a director by agreement, common law, equity, statute or regulation. Compliance with this Code will not relieve a director from any such obligations.

1. Compliance with Laws, Rules and Regulations

1.1 Each director shall comply with all applicable laws, rules and regulations, and shall use all reasonable efforts to oversee compliance by employees and other directors with all applicable laws, rules and regulations governing their conduct.

1.2 Directors have a responsibility to be sufficiently familiar with legislation or regulations that apply to their directorships and to recognize potential liabilities, seeking legal advice where appropriate in accordance with the Company’s internal procedures governing the seeking of external advice by any Director.

1.3 Directors must not engage in or give the appearance of being engaged in any illegal or improper conduct that is in violation of this Code or that indicates a casual attitude toward compliance with laws, regulations or this Code.

2. Corporate Governance

- 2.1 Directors should have a clear understanding of the aims and objectives, capabilities and capacity of the Company and should at all times exercise their powers for the benefit of the Company.
- 2.2 Each director should devote sufficient time and effort to attend meetings and to know what is required of the Board and of each director, and to discharge those functions. Therefore, directors should limit the number of directorships they take up in accordance with the amount of available time at their disposal for the discharge of their duties.
- 2.3 Directors should ensure that at all times, the Company is properly managed and effectively controlled and should insist on being kept informed on all matters of importance to the Company, in order to be effective in corporate management.
- 2.4 Directors should stay abreast of the affairs of the Company and be kept informed of the Company's compliance with relevant legislation and contractual requirements.
- 2.5 A director should be willing to exercise independent judgment and, if necessary, oppose positions which in his/her view, are to the detriment of the Company or are contrary to the best interests of the Company.

3. Conduct of Business and Fair Dealing

No director shall:

- compete with the Company by providing services to a competitor; whether as an employee, officer or director;
- profit, or assist others to profit, from confidential information or business opportunities that he/she gains by virtue of his/her directorship of the Company;
- improperly influence or attempt to influence any business transaction between the Company and another entity, in which a director has a direct or indirect financial interest or acts as an employee, officer or director; or
- take unfair advantage of any customer, supplier, competitor or other person through manipulation, concealment, misrepresentation of material facts and/or other unfair practice.

4. Conflicts of Interest

- 4.1 Every director has a duty to avoid business, financial or other direct or indirect interests or relationships which conflict with the interests of the Company, or which divides his/her loyalty to the Company. Each director must deal at arm's length with the Company and should disclose to the Chairman or Chief Executive Officer, any conflict or any appearance of a conflict of interest on his/her part.
- 4.2 Any activity which even appears to present such a conflict must be avoided or terminated unless, after such disclosure to the Board, it is determined that the activity is not harmful to the Company or otherwise improper. The end result of the process of disclosure, discussion and consultation may well be the approval of certain relationships or transactions on the grounds that, despite initial appearances, no conflict in fact exists.

5. Use of Non-Public Information and Disclosure (Insider Trading)

- 5.1 A director who has in his/her possession important information about the Company that has not been disclosed to the public, must keep such information confidential. Directors who have access to confidential information about the Company or any other entity are not permitted to use or share that information for the purposes of trading in the securities of the Company, the securities of the other entity, or for any purpose other than the conduct of the Company's business.
- 5.2 Directors shall maintain the confidentiality of any non-public information obtained in the course of the performance of their duties on behalf of the Company, except when disclosure is authorized or legally mandated.

6. Use of Company Funds, Assets and Information

- 6.1 Each director shall protect the Company's funds, assets and information and shall not use the Company funds, assets or information to pursue personal opportunities or gain.
- 6.2 No Company funds, assets or information shall be used for any unlawful purpose.
- 6.3 No undisclosed or unrecorded funds or assets of the Company shall be established for any purpose.

7. Social Responsibilities and the Environment

- 7.1 The Company shall constantly conceptualises and implements corporate social responsibility programmes and initiatives to minimise environmental impact.
- 7.2 Directors shall be responsible to maintain a safe and healthy workplace by following safety rules and practices and by reporting accidents, injuries and unsafe equipment, practices or conditions. Group related work is performed in a safe manner, free from the influences of alcohol, illegal drugs or controlled substances. The use of alcohol, tobacco or illegal substances inside the workplace is not tolerated.
- 7.3 Directors shall ensure that the activities and the operations of the Company do not harm the interests and wellbeing of society as a whole.
- 7.4 The Company is committed to providing all directors, officers and employees with an environment that respects their basic human rights and is free from discrimination and harassment. Each director is responsible for taking all reasonable precautions to not demonstrate behavior that can be reasonably construed as discriminatory or harassing in nature, whether on grounds of gender, race, religion or sexuality. Directors are encouraged to report all incidents of discrimination and harassment to the Chairman.

8. Proper Records and Communication

Directors must not make or engage in any false record or communication of any kind, whether internal or external, including but not limited to:

- false expense claims, attendance, production, financial or similar reports and statements.
- false advertising, deceptive marketing practices or other misleading representations.

9. Spokesman

- 9.1 Only the Chairman, Chief Executive Officer and Executive Directors are authorised spokesmen of the Company. Other appointed agents may sometimes be appointed to speak on behalf of the Company temporarily, by the Chairman, Chief Executive Officer or Executive Directors.
- 9.2 Only the authorised spokesman or other authorised person is allowed to address the public, approve announcements, make press releases, clarify rumours and/or authorise the publication of any contents on the Company's website on behalf of the Company.

10. Whistle Blowing

- 10.1 Whistle blowing is a specific mechanism by which a worker or stakeholder can report or disclose through established channels, concerns about any violations of the Code, unethical behavior, malpractices, illegal acts or failure to comply with regulatory requirements that is taking place / has taken place / may take place in the future.
- 10.2 Only genuine concerns should be reported under the whistle blowing procedures. Under the Company's whistle blowing policy, such report should be made in good faith with a reasonable belief that the information and any allegations in it are substantially true, and the report is not made for personal gain. Malicious and false allegations by the whistle blower will be viewed seriously and treated as a gross misconduct and if proven, may lead to dismissal or termination of the whistle blower who abuses this system. The identity of the whistle blower will always be kept in strictest confidentiality.

11. Breaches of the Code

In case of breaches of this Code including violations of laws, rules, regulations or the Company's policies by any director, the director or other directors are required to:

- as soon as possible, disclose the violations to the Chairman and the rest of the directors;
- use best efforts to reduce the magnitude of damage/loss, if any; and
- strictly observe the whistle blower policy.

12. Waiver of the Code

In extraordinary circumstances and where it is clearly in the Company's best interests to do so, the Chairman, upon recommendation by the Audit Committee and approval by the Board, may waive a director's compliance with any provision of this Code. Conditions may be attached to such a waiver.

13. Review of this Code

The Board shall periodically review and reassess the adequacy of this Code and make such amendments to this Code as the Board may deem appropriate.