

**KOTRA INDUSTRIES BERHAD
[Company No. 199901022732 (497632-P)]**

BOARD CHARTER

1. INTRODUCTION AND PURPOSE OF CHARTER

The Board Charter (“Charter”) formalises the various roles and responsibilities, including the demarcation therein, of the Board, Board Committees and individual Directors of Kotra Industries Berhad (“Kotra” or the “Company”) with the aim of streamlining and enhancing corporate governance practices towards transparency, accountability, integrity and sustainability in boardroom activities.

The Charter incorporates the Principles and Practices (including Guidance) of the updated Malaysian Code on Corporate Governance (“MCCG”) which took effect on 28 April 2021, as considered appropriate, Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad on corporate governance, certain aspects of the Company’s Constitution and relevant portions of the Companies Act 2016 insofar as the duties and responsibilities of Directors are concerned.

Whilst the Charter serves as a structured guide and provides relevant criteria for the assessment of the performance of the Board, Board Committees and individual Directors, it should not be construed as an exhaustive blueprint for Directors of the Company in the discharge of their fiduciary duties.

2. INTERPRETATION – GLOSSARY OF TERMS USED

In this Charter:

“Board” means the Board of Directors of the Company;

“Board Committees” means committees established by the Board from time to time, comprising Audit Committee, Nomination Committee and Remuneration Committee;

“Bursa Securities” means Bursa Malaysia Securities Berhad;

“Business” means the business of the Company and all its subsidiaries;

“Chairman” means the Chairman of the Board and is used in a gender-neutral sense;

“Charter” means the Board Charter of the Company;

“Company” or “Kotra” means Kotra Industries Berhad;

“Company Secretary(ies)” means the Board secretary(ies) or the person(s) normally exercising the functions of a Board Secretary;

“Directors” means members of the Board;

“Group” means the Company and all its subsidiaries;

“Independent Non-Executive Director” is defined in accordance with Paragraph 1.01 of the MMLR;

“Management” means the management personnel of the Group, including the Executive Directors; and

“Shareholders” means the shareholders of the Company.

3. ROLE OF THE BOARD AND ITS PRINCIPAL RESPONSIBILITIES

- 3.1 The Board is collectively responsible for the proper stewardship of Group's business and the creation of long-term shareholder value, whilst taking into account the interests of other stakeholders.
- 3.2 In line with the Guidance 1.1 of the MCCG, the Board shall assume, amongst others, the following key responsibilities:
- (a) promoting good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;
 - (b) reviewing, challenging and deciding on Management's proposal for the Company, and monitoring its implementation by Management;
 - (c) reviewing and adopting a strategic plan, as developed by Management, to ensure that it supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
 - (d) overseeing the conduct of the Company's businesses, including assessing and monitoring the performance of Management to determine whether the businesses are being properly managed;
 - (e) identifying and assessing the principal risks of the Group's businesses in recognition that business decisions involve the taking of appropriate risks;
 - (f) setting the risk appetite within which the Board expects Management to operate and ensuring that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
 - (g) succession planning - ensuring that all candidates appointed as Executive Directors ("EDs") or to Senior Management positions are of sufficient calibre and that there are measures in place to provide for the orderly succession of members of the Board and Senior Management;
 - (h) reviewing the leadership needs of the Company, both Executives and Non-Executives, with a view to ensuring continued ability of the Company to compete effectively in the marketplace;
 - (i) overseeing the development and implementation of policies and procedures to enable effective communication with stakeholders;
 - (j) reviewing the integrity of the Company's financial and non-financial reporting to ensure there is a sound framework on corporate reporting;
 - (k) reviewing the adequacy and integrity of the Company's management information and internal control systems, ensuring there is a sound framework of reporting internal controls and regulatory compliance;
 - (l) overseeing the Group's sustainability governance which includes setting the Group's sustainability strategies, priorities and targets on economic, environmental, social and governance together with the Management as well as ensuring it is communicated with the stakeholders including for the performance against the targets;

- (m) staying abreast with and understand the sustainability issues which are relevant to the Group and its business, including climate-related risks and opportunities;
- (n) ensuring there is an adequate group wide framework for co-operation and communication between the Company and its subsidiaries to enable it to discharge its responsibilities including oversight of the Group's financial and non-financial performance, business strategy and priorities, risk management including material sustainability risks and corporate governance policies and practices;
- (o) ensuring there is a group wide framework on corporate governance, including code of conduct and ethics, policies and procedures on anti-corruption, whistleblowing, managing conflict of interest, managing material sustainability risks and opportunities and policy on board diversity; and
- (p) overseeing the Group's adherence to high standards of conduct, ethics and corporate behaviour, including the Code of Ethics and Conduct for Directors, set out in **Appendix B** of this Charter.

3.3 In discharging the above responsibilities, Directors are expected to:

- (a) exercise his/her power for a proper purpose, act in good faith and in the best interest of the Group;
- (b) use reasonable care, skill and diligence in discharging his/her duties;
- (c) be aware of the environment the Group is operating in and maintain a good understanding of the business;
- (d) keep abreast with the relevant developments to ensure he/she is able to discharge the duties and responsibilities effectively;
- (e) avoid undeclared conflict of interest situations;
- (f) understand their oversight role, including the exercise of independent and objective judgment in decision making;
- (g) commit and devote sufficient time and efforts in discharging their duties responsibly;
- (h) prepare for board meetings, contribute actively in Board discussion and decision-making by providing advice based on his/her experience and specific expertise he/she brings to the Board;
- (i) understand financial statements and form a view on the information presented;
- (j) ensure key transactions or critical decisions are deliberated and decided on by the Board in a meeting;
- (k) ensure his/her decision and the basis for such decision, including any dissenting views are made known and properly minuted; and
- (l) attend regular training programmes in order to be apprised of changes in regulatory requirements the Group is subjected to.

- 3.4 To ensure the direction and control of the Company are in the hands of the Board, a formal schedule of matters reserved for the Board's deliberation and decision is set out in *Appendix A* of this Charter.

4. BOARD STRUCTURE

4.1 Board balance and composition

- 4.1.1 The Board shall be helmed by a Chairman, appointed by the Board and comprise at least two (2) members or one-third ($\frac{1}{3}$) of the Board, whichever is higher, who are Independent Non-Executive Directors ("INED") in accordance with the MMLR.
- 4.1.2 Whilst the Company's Constitution allows for not less than two (2) nor more than fifteen (15) Directors, the Board shall examine and determine its size periodically in relation to the effective running of the Company's businesses.
- 4.1.3 The Board will assess the independence of its INED on an annual basis.
- 4.1.4 In the event of any vacancy in the Board resulting in non-compliance with the MMLR, the Board shall ensure that the vacancy is filled within three (3) months.
- 4.1.5 To enhance its effectiveness, the Board shall ensure its members have the relevant skills, experience, expertise and time commitment. Accordingly, the Nomination Committee is entrusted by the Board to appraise candidates for directorship, including those who retire and offer themselves for re-election, before recommending to the Board.
- 4.1.6 New Board members shall be briefed on the terms of their appointment, their duties and obligations and on the operations of the Group. Copies of the following shall be provided to the newly appointed Director:
- Board Charter;
 - Company's Constitution;
 - Directors' Code of Ethics and Conduct;
 - Board Committees' composition and terms of reference;
 - Latest business plan;
 - Latest annual reports and financial statements;
 - Organisation chart; and
 - A guided visit to the Group's plant to have an understanding of the business operations.
- 4.1.7 The composition of the Board shall be guided by the Board Diversity Policy, set out in *Appendix C*, to ensure the Board has an appropriate mix so as to optimise the performance of the Board as a whole and align the Board's capabilities with the strategic direction of the Company.
- 4.1.8 No active politician shall be appointed, re-appointed, elected or re-elected as a Director on the Board or continue to serve as a Director.

A person is considered as an “active politician” if he/she is a Member of Parliament, State Assemblyman or holds a position at the Supreme Council or division level in a political party.

4.2 Tenure

The tenure of an INED shall be limited to a cumulative term of nine (9) years from the date of first appointment without further extension. Upon completion of nine (9) years tenure, an INED will vacate his/her seat from the Board.

4.3 Re-election of Directors

The Constitution provides that an election of Directors shall take place each year. All Directors shall retire from office at least once in each three (3) years but shall be eligible for re-election. A Director shall retire at the general meeting in every subsequent year, one-third (1/3) of the Directors for the time being or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office. A retiring Director shall retain office until the close of the general meeting at which he/she retires, however being eligible, may offer himself/herself for re-election at the general meeting.

4.4 Fit and Proper Requirements

4.4.1 As prescribed in the MMLR, all Directors must fulfil the criteria of “fit and proper” person as part of their appointment as well as for retiring Directors on the Board of the Company and its subsidiaries who are seeking for re-election at the general meeting.

4.4.2 Any person to be appointed on the Board or re-elected as Director shall satisfy the following general criteria: -

- a) Character and integrity;
- b) Experience and competence; and
- c) Time and commitment.

4.4.3 The Nomination Committee shall carry out an assessment based on the “fit and proper” requirements on the prospective Directors for appointment as well as retiring Directors who are seeking re-election before recommending to the Board for approval. For the purpose of the assessment, a person who has been identified for appointment or re-election as a Director shall complete the prescribed fit and proper declaration form.

4.5 Board Diversity

The Board acknowledges the importance of boardroom diversity and is cognisant of the recommendation of the MCCG pertaining to the establishment of a gender diversity policy. However, the Board considers merit in the context of skills, time commitment, experience and performance as the most important aspect in seeking potential candidate(s) for new appointments or retaining of Directors, without any discrimination to age, ethnicity, gender or physical ability.

4.6 Role of Chairman

The Chairman of the Company shall be an INED and is primarily responsible for the following:

- (a) presiding at Board and shareholder meetings and ensuring the proceedings thereof comply with good conduct and practices. In the event the Chairman is indisposed, the Board shall elect from amongst them an INED to chair the meeting;
- (b) leading the Board in adoption and implementation good corporate governance practices in the Company;
- (c) consulting with the Board promptly over any matter that gives him/her cause for major concerns;
- (d) managing the interface between the Board and Management;
- (e) in conjunction with the Company Secretaries, to determine the content of the agenda and the information to be supplied to the Board as set out in paragraph 5.2 below and ensure that Board members receive complete and accurate information in a timely manner;
- (f) leading in discussions at meetings and ensuring efficient and effective conduct of the Board and shareholder meetings.
- (g) ensure that adequate time is allocated during Board meetings to deliberate on issues tabled;
- (h) encourages active participation and allowing dissenting views to be freely expressed;
- (h) providing leadership to the Board, and overseeing the Board in the effective discharge of its fiduciary duties;
- (i) facilitating effective communication between the Board and stakeholders; and
- (j) other responsibilities as assigned by the Board from time to time.

The positions of the Chairman and Managing Director are held by two (2) different individuals. The roles of the Chairman and Managing Director are distinct and separate. This is to promote accountability and to ensure that there is a balance of power and authority, so that no one individual has unfettered powers of decision-making. The Chairman would lead the Board in its collective oversight of management while the Managing Director focuses on the business and day-to-day management of the Group.

4.7 Role of the Group Managing Director and Executive Directors

The Managing Director has overall responsibility over the day-to-day management of the Group, organisational effectiveness and implementation of Board policies, strategies and decisions. In carrying out the role, the Managing Director is assisted by fellow EDs in the following areas:

- a) achievement of Group's goals and observance of Management authorities delegated by the Board;
- b) developing long-term strategic and short-term business plans, designed to support the Group's requirements for growth, profitability and return on capital are achieved;
- c) directing and controlling all aspects of the business operations in a cost-effective manner;
- d) overseeing human capital 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 other Senior Management personnel and issues pertaining to discipline of all employees;

- e) representing the Group's interest with major customers, government agencies, regulatory bodies and industries at large, to ensure general goodwill towards the Group and cooperation in planned development;
- f) assuring that the Group's products and services are of high standards and in compliance with the various regulatory and best practice requirements;
- g) providing assistance to other members of the Board and Board Committees, as required, in discharging their duties;
- h) monitors and manages the execution of the Group's sustainability strategies and plans; and
- i) ensuring members of the Board have the information necessary to perform their fiduciary duties and other governance responsibilities.

The Board and Board Committees, as the case may be, shall receive the following from the Managing Director at their scheduled meetings:

- a) reports on the performance and activities of the Group for the period under review, including explanations for significant fluctuations over the period; and
- b) where appropriate, a briefing pertaining to risk management and sustainability issues, challenges faced by the Group, changes to legislations that may affect the Group's operations, litigations and other salient events or issues affecting the Group.

The Managing Director shall act within all specific authorities delegated to him/her by the Board. In discharging the above responsibilities, the Group Managing Director may delegate appropriate functions to his/her fellow Executive Directors or any member of Senior Management, who shall report to him/her the outcome of the delegated functions.

4.8 Role of Non-Executive Directors ("NEDs")

4.8.1 The roles of NEDs, comprising Non-Independent Non-Executive Directors ("NINED") and Independent Non-Executive Directors ("INED"), largely encompass the monitoring of Group performance and contributing to the development of Group strategy, clarified as follows:

- a) Strategy - constructively challenge and contribute to development of Group strategy;
- b) Performance - oversee the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance.

4.8.2 The NINED and INED does not participate in the day-to-day management of the Group. The active participation of NINED and INED in the Board Committees contribute towards the enhancement of corporate governance and controls within the Group.

4.8.3 The INED is independent of management and free from any significant business or other relationship with the Group, enabling them to provide an unfettered and unbiased

independent judgement. An INED provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied.

4.9 Company Secretaries

The Board may appoint more than one individual to be the Secretary of the Company based on the following:

- 4.9.1 The appointment and removal of Company Secretaries is a matter for the Board as a whole. The Company Secretaries shall be suitably qualified according to the requirements of the Companies Act 2016 and capable of carrying out the duties required of the post.
- 4.9.2 The Company Secretaries are expected to provide unimpeded advice and services to the Directors, as and when the need arises, to enhance the effective functioning of the Board to ensure regulatory compliance.
- 4.9.3 The primary roles and responsibilities of the Company Secretaries shall include the following:
- (a) ensuring timely dissemination of notice of meeting and agenda to Directors, including relevant Board papers and information pertaining to issues scheduled for discussion and/or approval at meeting;
 - (b) ensuring that Board procedures and applicable regulatory requirements are observed;
 - (c) maintaining records of the Board and its respective meetings and ensuring effective management of the Company's records;
 - (d) preparing comprehensive minutes to document Board proceedings, ensuring conclusions are accurately recorded;
 - (e) advising the Board on corporate disclosures and compliance with the relevant rules and regulations, and timely dissemination of information relevant to Directors' roles and functions and keeping them updated on new or evolving regulatory requirements;
 - (f) advising the Board on its roles and responsibilities;
 - (g) facilitating the orientation of new Directors and assisting in Director training and development;
 - (h) managing processes pertaining to the shareholder meeting;
 - (i) monitoring corporate governance developments and assisting the Board in applying governance practices to meet the Board's needs and stakeholders' expectations;
 - (j) serving as a focal point for stakeholders' communication and engagement on corporate governance issue; and
 - (k) carrying out other functions as deemed appropriate by the Board from time to time.

4.10 Board Committees

4.10.1 The Board shall establish Committees from time to time to assist the Board in the discharge of its duties and responsibilities. Each Committee has its own terms of reference in writing, specified by the Board, detailing its roles and responsibilities, structure and composition.

4.10.2 A number of standing Committees, with written terms of reference, have been established, namely the following:

(a) **Audit Committee**

The Audit Committee assists and supports the Board primarily in the areas of financial reporting in liaison with the external auditors and the Group's system of risk management and internal controls in liaison with the internal auditors. The terms of reference of the Audit Committee are attached as *Appendix D* of this Charter.

(b) **Nomination Committee**

The Nomination Committee assists the Board largely on matters relating to the selection and assessment of Directors. The terms of reference of the Nomination Committee are attached as *Appendix E* of this Charter.

(c) **Remuneration Committee**

The Remuneration Committee assists the Board on matters pertaining to the implementation of policies and procedures on the remuneration of Directors and Senior Management. The terms of reference of the Remuneration Committee are attached as *Appendix F* of this Charter.

Although the Board has granted discretionary authority to the Board Committees to deliberate and decide on matters as set out in their respective terms of reference, the ultimate responsibility for final decision on all matters lies with the Board.

4.11 The Board's relationship with shareholders and other stakeholders

4.11.1 The Board shall maintain a communications policy that enables both the Board and Management to communicate effectively with the Company's shareholders, other stakeholders and the general public.

4.11.2 The Board shall ensure that the general meetings of the Company are conducted in an efficient manner to enhance shareholder communications. The Board shall also provide timely and relevant information to shareholders and encourage their active participation at the meetings, taking into account the following measures:

- (a) ensuring that each item of special business included in the notice of meeting is accompanied by a full explanation of the effects of the proposed resolution;
- (b) ensuring that a brief description, including information such as age, relevant experience, list of directorships, date of appointments to the Board, details of participation in Board Committees and designation of Directors (Independent or Non-

Independent) in respect of the Directors standing for election, is disclosed in the Annual Report;

- (c) the Chairman shall provide reasonable time for discussion at the meeting. Where appropriate, the Chairman will undertake to provide the shareholder with a written answer to any significant question which cannot be answered immediately; and
- (d) ensuring that resolutions tabled at shareholders meetings are voted by poll and the results thereof are announced at the same meeting, detailing the votes cast for and against each resolution.

5. BOARD PROCEDURES

5.1 Board meetings

- 5.1.1 Meetings shall be conducted at least on a quarterly basis. The Company Secretaries shall prepare and distribute to all Directors in advance a timetable for the meetings for the year. The Company Secretaries shall work together with the Chairman in developing the meeting agenda.
- 5.1.2 Except in the case of emergencies, seven (7) days' notice of every Board meeting will be provided in writing. In addition to notices sent through the post/ by hand, notices may also be sent via facsimile, electronic mail or by any means of telecommunication in permanent written form.
- 5.1.3 As stipulated under the Company's Constitution, the quorum necessary for the transaction of the business of the Board shall be two (2).
- 5.1.4 The Chairman of the Board or, in his/her absence, an INED from amongst the Board members appointed, shall preside at all meetings.
- 5.1.5 Directors are required to attend Board meetings. Senior Management may be invited to attend meetings for particular items within their responsibility. The Board may also invite external parties such as the auditors, solicitors and consultants as and when the need arises.
- 5.1.6 The Board meetings are held separately and not to be combined with Board Committees' meeting to enable objective and independent discussion during the meeting.
- 5.1.7 Resolutions of the Directors at a meeting or adjourned meeting of the Directors shall be adopted by a majority of votes of all Directors present. In the event matters requiring Board's urgent decision arise between meetings, such matters shall be resolved through circular resolution which shall be supported by relevant papers setting out details of the subject matters. The Board members may obtain more information from Management and express their view points by facsimile, electronic mail or any other means of telecommunication before arriving at a decision on the subject matter. While the use of circular resolution is permitted under this Charter and the Company's Constitution, its use shall not be encouraged and shall only be resorted to in emergency situations, for

example to comply with regulatory requirements, or purely for administrative purposes. All such resolutions shall be submitted for confirmation at a meeting of the Board following the passing of the circular resolutions.

- 5.1.8 The Directors may participate at a meeting of the Boards by means of telephone, video conference or other means of communication. The physical presence of Director is not compulsory and participation at the meeting in the aforementioned manner shall be deemed to constitute presence in person at such meeting. The Directors participating in any such meeting shall be counted in the quorum for such meeting. All resolutions agreed upon by the Directors at such a meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the Directors duly convened and held. All information and documents must be made equally available to all participants prior to, at, or during the meeting.

5.2 Agenda

The Chairman, in conjunction with the Company Secretaries, shall determine the contents of the agenda and assess the information needed to be supplied to the Board members. The agenda shall include, amongst others, matters specifically reserved for the Board's decision. The Board shall record its deliberation, in terms of the issues discussed, and the conclusions thereof, in discharging its duties and responsibilities.

5.3 Meeting papers

- 5.3.1 To allow sufficient time for Directors to consider the relevant information, Board papers and agenda items are to be circulated at least seven (7) days, or a shorter period where unavoidable, prior to the meeting. Where there is a need to table a report, a brief statement of findings and/ or recommendations shall be prepared.
- 5.3.2 Minutes are prepared following a meeting of the Board. The draft minutes shall be circulated to those who were present at the meeting for comments on the factual accuracy and completeness of matters recorded therein. Fair copies of the minutes shall thereafter be tabled at the following meeting for confirmation and signing.

5.4 Access to information and personnel

All Directors shall have unrestricted access to Management, the Company Secretaries and to information pertaining to the Company and its subsidiaries, including access to the external auditors, internal auditors and consultants, relevant to the furtherance of their duties and responsibilities as Directors of the Company.

5.5 Independent professional advice

- 5.5.1 In discharging the Directors' duties, each member of the Board is entitled to obtain independent professional advice at the cost of the Company.
- 5.5.2 Where such advice is considered necessary for the discharge of his/her duties and responsibilities as Director and, for the benefit of the Company, such Director shall first

discuss it with the Chairman and, having done so, shall be free to proceed, where appropriate.

6. DIRECTORS' TRAINING

- 6.1 On appointment, the new Director is required to undergo the Mandatory Accreditation Programme under the requirements of Bursa Securities. In addition, Directors are required to attend relevant training courses or seminars at periodic intervals to keep themselves updated on developments pertaining to, amongst others, the oversight function of Directors, sustainability matters, technical matters (for example, the Malaysian Financial Reporting Standards, International Financial Reporting Standards, auditing standards, tax budgets, etc).
- 6.2 The Nomination Committee shall decide on the continuous education training programme for Directors, taking into consideration the outcome of the annual assessment of the individual Directors pertaining to skill sets and knowledge. The Company shall make available to Directors, at the Company's cost, professionally conducted programmes regarding Director responsibilities and other matters related to services on the Board.
- 6.3 All training attended by Directors shall be disclosed in the Annual Report. In special circumstances, valid justifications for non-attendance at any training by Directors for the financial year shall also be disclosed.

7. DIRECTORS' TIME COMMITMENT

- 7.1 Directors shall devote sufficient time to carry out their responsibilities. The Board shall obtain this commitment from its members at the time of appointment. Each Director is expected to commit time as and when required to discharge the relevant duties and responsibilities, besides attending meetings of the Board, Board Committees and shareholders.
- 7.2 Pursuant to Paragraph 15.06 of the MMLR, Directors must not sit on the boards of more than five (5) listed issuers. While there is no restriction on directorships in non-listed issuers, Directors should avoid over commitment in multiple directorships which may affect their performance in carrying out their role as Directors of the Company.
- 7.3 Before accepting any new directorship, Directors shall notify the Chairman, of which shall also include an indication of time that will be spent on the new appointment.

8. CONFLICT OF INTEREST

- 8.1 A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the Director's interest in accordance with the Companies Act 2016. The Director concerned shall not participate in deliberations and shall abstain from casting votes in any matter arising thereof unless as otherwise provided for in the Companies Act 2016.
- 8.2 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, the Director involved shall make full disclosure and act honestly in the best interest of the Company.

- 8.3 The Company Secretaries shall facilitate the Directors' annual independence and conflict of interest declarations, which will allow the Directors to perform an annual self-declaration on independence (i.e. for INEDs) and conflict of interest (i.e. for all Directors).

9. DIRECTORS' REMUNERATION

- 9.1 The Board has established a formal and transparent process for approving the remuneration of the NEDs and EDs, whereby the Remuneration Committee is entrusted by the Board for reviewing and implementing the policies and procedures for the remuneration of Directors and Senior Management and making recommendations on the same to the Board for approval.
- 9.2 NEDs shall be paid a fee for acting as Directors of the Company as well as for being members of the Board Committees and meeting allowances for their attendances at meetings, subject to approval by shareholders at the general meeting.
- 9.3 The amount of remuneration payable to the EDs shall be determined with reference to their qualifications, experience, market competitiveness as well as the Group's and individual ED's performance.
- 9.4 Directors shall abstain from all deliberations and voting in respect of their individual remuneration.

10. BOARD AND DIRECTOR ASSESSMENT

- 10.1 The Nomination Committee is entrusted by the Board to review the performance and effectiveness of the Board, Board Committees and individual Directors annually.
- 10.2 The Company Secretary is authorised to collate the results of the assessment. The assessment report, together with a report on the Board balance, covering the required mix of skills, experience and other qualities of Board members, shall be tabled by the Chairman of the Nomination Committee for a discussion at the full Board.

11. CORPORATE DISCLOSURES

- 11.1 The Board shall have relevant corporate disclosure policies and procedures to ensure comprehensiveness, accuracy and timeliness of information disclosed to shareholders and other external parties. These policies and procedures shall ensure compliance with the relevant disclosure requirements as enumerated in the MMLR.
- 11.2 The Company shall consider the use of information technology in communicating with shareholders and other stakeholders, including a dedicated section for Investor Relations on the Company's website for an effective dissemination of information and easy access to corporate information. This section shall provide information such as the Board Charter, Terms of Reference, Annual Report of the Company and others.

12. REVIEW OF THE BOARD CHARTER

This Charter shall be reviewed at least once in every two (2) years or more frequently by the Board, where deemed appropriate, taking into consideration the needs of the Company as well as any development in MCCG, MMLR and other rules and regulations that may have an impact on the discharge of the Board's duties and responsibilities.

-----*END OF BOARD CHARTER*-----

SCHEDULE OF MATTERS RESERVED FOR BOARD'S DELIBERATION & DECISION

The list of matters specifically reserved to the Board for its deliberation and decision, which is not exhaustive and subject to changes from time to time as approved by the Board, is set out below:

Conduct of the Board

1. Appointment of Directors to fill casual vacancy and recommendation for removal of Directors.
2. Appointment and removal of Company Secretaries.
3. Appointment of Board Committees and Committee members.
4. Approval of terms of reference of Board Committees and amendments thereto.

Remuneration

1. Approval of remuneration of Executive Directors in their position as employees of the Company and/or its subsidiaries.
2. Recommendation of Directors' fees and other benefits for shareholders' approval.
3. Approval of the remuneration policies and procedures for Directors and Senior Management.
4. Approval of any proposed employees' share option scheme and / or amendments to the scheme, subject to other approvals that may be required by law or regulations.

Operational

1. Approval of the Group's business strategy, operational plan and annual budget.
2. Ongoing review of performance against the Group's business strategy and operational plan, including monitoring of key risks and risk management policies and actions.
3. Approval of capital expenditure above the prescribed amount as may be determined from time to time.
4. Approval of bad debt write-off in excess of the prescribed amount as may be determined from time to time.
5. Approval of investment or divestiture in a company, business, property or undertaking.
6. Approval of investment or divestiture in a capital project which represents a significant diversification from the existing business activities.
7. Approval of changes in the major activities of the Group.
8. Approval of treasury policies and bank mandate.

Financial

1. Approval of interim and annual financial statements.
2. Approval for the release of financial statements and other announcements to Bursa Securities.
3. Approval of the annual Directors' Report and Statutory Declaration.
4. Approval of interim dividends, the recommendation of final dividends and the making of any other distribution.
5. Adoption of accounting policies or changes thereof that are in line with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

6. Review the effectiveness of the Group's system of risk management and internal control. This function is delegated to the Audit Committee which shall report to the Board on its findings and recommendations.

Other Matters

1. The granting of powers of attorney by the Company.
2. The entering into any indemnities or guarantees.
3. Recommendations for the alteration of the Company's Constitution.
4. Alteration of the accounting reference date, registered office and name of the Company, subject to the relevant approvals under law.
5. Purchase own shares by the Company.
6. Issue of any debt instruments.
7. Scheme of reconstruction or restructuring.
8. Any other significant business decision.
9. Any other matters requiring the convening of a general meeting of shareholders or any class of shareholders.
10. Any other matters as may be required by law or governing authorities.
11. Approval of the Corporate Governance Overview Statement, Statement on Risk Management and Internal Control, Management Discussion and Analysis, Sustainability Statement, Circular to Shareholders, Corporate Governance Report and other relevant reports/statements which are required by Bursa Securities (*acknowledging the Board's responsibility to ensure the integrity of the Group's corporate reporting, financial and non-financial reporting*).

-----**END OF APPENDIX A**-----

DIRECTORS' CODE OF ETHICS AND CONDUCT

The Directors' Code of Ethics and Conduct ("Code") is intended to serve as a source of guiding principles and standards applicable to the Board of Directors ("Board" or "Board Member") of Kotra Industries Berhad ("Company") and its subsidiaries ("Group"). The Directors are expected to adhere, comply and uphold the provisions of this Code.

This Code is not intended to be exhaustive. It should be read in conjunction with the existing framework of all pertinent laws and regulations including the Group's policies, relevant best practices and standards in corporate governance and provisions of the Constitution of the Company.

The Directors shall observe the Code as follows:-

1. Compliance at all times with this Code of Ethics and Conduct and the Board Charter of the Company.
2. Observe high standards of corporate governance at all times.
3. Compliance with all applicable laws, rules and regulations.
4. Adhere to the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership in discharging his/her duties as a Director.
5. Act in good faith and in the best interest of the Company and Group at all times as stipulated in Section 213 of the Companies Act 2016 ("Act").
6. Does not misuse information gained in the course of duties for personal gain or for political purposes, nor seek to use the opportunity of the service as Director to promote his/her private interests or those of connected persons, firms, businesses or other organisations.
7. Uphold accountability at all times - this includes ensuring that the Company's resources are properly safeguarded and the Company conducts its operations as economically, efficiently and effectively as possible at all time.
8. Shall not accept positions on Board committees or working groups where a conflict of interest is likely to arise, without first declaring that interest.
9. Shall declare of any personal, professional or business interest that may conflict with Directors' responsibilities. Guidance on declaration and registration of interest is given in the section entitled "Declaration of Interests" below.
10. Adhere to the regulatory requirements pertaining to trading or dealing in the Company's shares, including insider trading.
11. Accountable for the sustainability governance of the Group.
12. Adhere to the Anti-Bribery and Anti-Corruption Policy of the Group - Directors are required to refrain themselves from offering, giving, receiving or soliciting something of value which could be evaluated as illegal or improper exchange from persons or organisations who deal with Group where the gifts would reasonably be expected to influence the performance of the Directors' duties in any aspect. The

guidelines on acceptance of gifts and hospitality as stated in the section entitled “Guidelines on Acceptance of Gifts” below.

Declaration of Interests

Subject to the requirements of any Acts, rules or regulations that are in force from time to time and in addition to such mandatory requirements, members of the Board are required to notify the Company Secretary changes in the following:

1. Shareholding in the Company and its related corporations, whether direct or indirect; and
2. Directorship or interest in any other corporations.

In addition to the above, members of the Board who have a material interest, either directly or through a partner, spouse or close relative, in matters being considered by, or likely to be considered by the Board should declare that interest. Such declarations should describe the interest clearly and state whether it carries direct or indirect financial benefits. This requirement also applies to members of Senior Management.

Relevant interests in this context are as follows:

1. Executive and non-executive directorships of, significant shareholding in, or employment by, public or private companies likely or possibly seeking to do business with the Company.
2. Ownership or part-ownership of, or employment by, businesses or consultancies likely or possibly seeking to do business with the Company.

Register of Interest (“Register”)

The Code requires that a formal register of interest be established. The Register shall include details of all directorships and other relevant interests declared by Board Members and members of Senior Management. The register shall keep up-to-date through an annual survey of members’ interest, carried out by the Company Secretary.

Conduct in Meetings

Any Board Member who has a clear and substantial interest in a matter under consideration by the Board should declare that interest at any meeting where the matter is to be discussed, whether or not that interest is already recorded in the Register. The Board Member concerned shall withdraw from the meeting during the relevant discussion or decision.

New Directorships

Board Members shall notify the Chairman before accepting any new directorship in any Public Listed or Private Companies which includes an indication of time that will be spent on the new appointment.

Guidelines of Acceptance of Gifts

The following guidelines are set out on acceptance of gifts:

1. The conduct of individuals must not create suspicion of any conflict between their position as a member of the Board and any private interest;

2. Board Members acting as such must not give the impression that they have been influenced by a benefit to show favour or disfavour to any person or organisation having dealings with the Company;
3. Board Members must not accept any benefits as an inducement or reward for taking any action (or specifically not taking any action) in their official capacity as a Board Member; and
4. Gifts other than of token value shall generally be refused.

Whistleblowing Policy

Whistleblowing policy has been drawn up to ensure appropriate communication and feedback channels are available for members of staff to report irregularities in good faith.

-----**END OF APPENDIX B**-----

BOARD DIVERSITY POLICY

Purpose

The Board Diversity Policy (“Policy”) sets out the approach to diversity on the Board of Directors (“Board”) of Kotra Industries Berhad (“Company” or “Kotra”). This Policy has been prepared in the context of the Company’s strategic approach to diversity and it is aligned with the achievement of the Company’s corporate objectives.

Scope of application

The Policy applies solely to the Board and does not extend to cover diversity in the Company’s recruitment practices of non-Board personnel.

Policy statement

Building a diverse and inclusive culture is integral to the success of the Company and its subsidiaries (“Group”). An inclusive culture helps us respond to the Group’s diverse customer base.

The Board affirms its commitment to Board diversity, where a truly diversified Board can enhance its effectiveness, creativity and capacity to thrive in good times and weather tough times. The Board works to ensure there is no discrimination and make good use of differences in skills, industry experience, background, ethnicity, age, gender, education and other qualities. These differences shall be considered in determining the composition of the Board and whenever possible, shall be balanced appropriately. For this purpose and in line with Paragraph 15.02 of the Main Market Listing Requirements, the Board shall comprise at least a woman Director at any time to address gender diversity.

The Policy is aligned with the Company’s vision, mission and core values. Kotra’s strategic intent for Board diversity is the attraction, motivation, retention and development of a diverse team of skilled personnel who is increasingly engaged towards delivering the Group’s strategies and meeting its objectives. The Policy is centred on the following initiatives:

- identifying and balancing the different skills and industry experiences, backgrounds, age and gender of Directors;
- appointing or retaining Directors based on merit, in the context of skills, time commitment, experience and performance, in order for the Board to be effective – in this context, the Board does not prescribe any quantitative targets on gender, age and ethnicity diversity to be met;
- providing a conducive environment for the views of Board members to be heard, their concerns attended to, where bias, discrimination or harassment on any matter is not condoned; and
- the Nomination Committee (“NC”) to review and assess the Board’s composition and make recommendations to the Board on the appointment of new Directors, including the re-election of Directors who are retiring by rotation.

The NC is tasked with the following responsibilities:

- a. to take into consideration the benefits that flow from diversity and to appoint candidates based on merit and without prejudice, when reviewing the Board's composition;
- b. to consider the balance of skills, experience, independence, knowledge and the diversity of representation of the Board, as part of the annual performance evaluation of the effectiveness of the Board, Board Committees and individual Directors; and
- c. to implement the Policy and to monitor progress towards the achievement of these objectives.

Measurable objectives

On an annual basis, the NC shall discuss the implementation of this Policy and recommend measures, if any, on its implementation to the Board for adoption.

Monitoring and reporting

Disclosure shall be made in the Corporate Governance Overview Statement, for inclusion in the Company's Annual Report, and the Corporate Governance Report for submission to Bursa Securities.

The Annual Report shall include a summary of this Policy in line with the Principles and Practices of the Malaysian Code on Corporate Governance issued by Securities Commission Malaysia.

Administrative matters

On an annual basis, the NC shall review and assess the relevance and effectiveness of this Policy. Any requirement for amendment shall be deliberated upon by the NC and any recommendations for revisions shall be highlighted and proposed for the Board's consideration and approval, as the case may be.

This Policy shall be maintained as an integral component of the Company's corporate governance practices and kept in custody of the Company Secretary.

-----**END OF APPENDIX C**-----

TERMS OF REFERENCE OF AUDIT COMMITTEE

1. Purpose

The Audit Committee (“AC”) is established as a committee of the Board of Directors (“Board”) with the primary objective of assisting the Board to:-

- (a) discharge its statutory and fiduciary responsibilities of overseeing the risk management and financial reporting processes within the Group;
- (b) review the adequacy and operating efficiencies of the Group’s accounting function, financial reporting and internal control processes;
- (c) enhance the independence of the external and internal audit functions by providing direction to and overseeing these functions; and
- (d) to ensure the related party transactions (“RRPTs”) are carried out in the ordinary course of business, are made at arm’s length and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not on terms that are detrimental to the minority shareholders of the Company.

2. Composition and Appointment

2.1 The Board shall appoint the AC from amongst themselves which comprises no fewer than three (3) members, all of whom shall be Non-Executive Directors with a majority of them being Independent Directors.

In this respect, the Board adopts the definition of “independent director” as set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and any practice notes issued thereto.

2.2 All members of the AC should be financially literate and be able to understand matters under the purview of the AC, including financial reporting process. The definition of financial literacy requires the ability to read, analyse and interpret financial statements.

2.3 All members of the AC shall undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

2.4 At least one (1) member of the AC shall:

- be a member of the Malaysian Institute of Accountants (“MIA”); or
- if he/she is not a member of the MIA, he/she must have at least three (3) years working experience and;
 - i. must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - ii. must be a member of one of the associations of accountants as specified in Part II of the 1st Schedule of the Accountants Act 1967; or
- fulfills such other requirements as prescribed or approved by Bursa Securities.

- 2.5 No Alternate Director shall be appointed as a member of the AC.
- 2.6 No former partner shall be appointed as a member of the AC unless he/she observes a cooling-off period of at least three (3) years from the date of his resignation or retirement as the partner of the Company before being appointed as a member of the AC.
- 2.7 The term of office and performance of the AC and each of its members shall be reviewed by the Nomination Committee annually to determine whether the AC and its members have carried out their duties in accordance with their terms of reference.
- 2.8 In the event of any vacancy resulting in the number of members of the AC falling below three (3), the vacancy must be filled within three (3) months of that event.

3. Chairman

- 3.1 The Chairman of the AC shall be elected from amongst the AC members and shall be an Independent Director. The Chairman of the AC shall not be the Chairman of the Board.
- 3.2 The Chairman is responsible for ensuring the overall effectiveness and independence of the AC. In particular, he/she is responsible for:
 - (a) planning and conducting meetings;
 - (b) overseeing the reporting process to the Board;
 - (c) encouraging open discussion during meetings; and
 - (d) developing and maintaining active on-going dialogue with the Managing Director, the Chief Financial Officer (“CFO”), Management and external and internal auditors.
- 3.3 The Chairman, together with other members, shall ensure, amongst others, that:
 - (a) the AC is fully informed about significant matters related to the Group’s audit and its financial statements and address these matters;
 - (b) the AC appropriately communicates its insights, views and concerns about relevant transactions and events to the internal and external auditors;
 - (c) the AC’s concern on matters that may have an effect on the financial audit of the Group are communicated to the external auditors; and
 - (d) there is co-ordination between internal and external auditors.

4. Authority

4.1 The AC is authorised by the Board and at the expense of the Group to perform the following:

- (a) secure the necessary resources in order to perform its duties set out in its terms of reference;
- (b) investigate any matter within its terms of reference, including possible fraud, illegal acts or suspected violation of the Code of Conduct involving Senior Management personnel or members of the Board. All employees shall be directed to co-operate as requested by the AC;
- (c) have full and unrestricted access to any employee of the Group and all information and documents which are required to perform its duties;
- (d) have unrestricted access to the Managing Director and CFO that is required to perform its duties;
- (e) obtain external legal or other professional advice as necessary at the cost of the Group;
- (f) convene meetings with the external auditors, internal auditors and the Company Secretary without the attendance of other Directors or employees of the Group; and
- (g) be able to invite outsiders with relevant experience to attend its meetings, if necessary.

4.2 The AC shall report to the Board on matters considered and its recommendations thereon.

5. Duties and responsibilities

The duties and responsibilities of the AC are as follow:-

5.1 Financial Reporting

- (a) To review with the external auditors, the quarterly and year-end financial statements, before approval by the Board, focusing particularly on:
 - i. whether there have been changes in or adoption of new accounting policies;
 - ii. whether there have been changes in the presentation of the financial statements;
 - iii. whether there are significant auditing and financial reporting matters, material audit adjustments; material fluctuations in balances; significant judgment and estimates made by Management, significant or unusual events or transactions highlighted by the external auditors; and how these matters are addressed;

- iv. whether significant contingent liabilities and commitments have been properly disclosed;
 - v. whether the going concern assumption used in the preparation of the financial statements is appropriate;
 - vi. whether the financial statements are in compliance with approved accounting standards and other legal requirements;
 - vii. whether the Group's financial statements taken as a whole provide a true and fair view of the financial position and performance of the Group and Company; and
 - viii. whether there are any qualifications in the auditors' report that must be discussed and properly acted upon.
- (b) To report its findings on the Group's financial and Management performance, and other significant matters to the Board and, if appropriate, recommend to the Board the issuance of the quarterly and year-end financial statements to Bursa Securities.

5.2 External Audit

- (a) To consider the appointment or re-appointment of external auditors, the audit fees and any question of resignation or dismissal;
- (b) To annually assess the suitability, objectivity and independence of the external auditors, taking into consideration the following:
 - i. the competence, audit quality and resource capacity of the external auditors in relation to the audit, including the information presented in the external auditors' Annual Transparency Report which also includes the external auditors' governance and leadership structure as well as measures taken by the external auditors to uphold audit quality and manage risks;
 - ii. to establish a policy on the process of non-audit services by external auditors and/or their affiliates, covering the rendered and nature of permitted non-audit services. The policy authorises the CFO or his designate to assess and manage the nature and permitted non-audit services.
 - iii. the conduct of, and independence demonstrated by, the external auditors throughout the audit engagement. In this connection, the Committee shall obtain written confirmation from the external auditors that they are, and have been, independent in accordance with all relevant professional and regulatory requirements.
- (c) To discuss with the external auditors before audit commences, their audit plan, the nature and scope of their audit and reservations arising from the interim and final audits, and any matters the auditor may wish to discuss in the absence of

Management where necessary.

- (d) To review any management letter sent by external auditors of the companies in the Group and Management's response to such letter;
- (e) To review the assistance and accessibility to information, documents and records required is given by the Group and/or the Group's officers to the external auditors;
- (f) To review any letter of resignation from the external auditors of the Company or any of its subsidiaries; and
- (g) To review with the external auditors their evaluation of the system of internal controls and their audit report and report the same to the Board.

5.3 Internal Audit

- (a) To perform the following in relation to the internal audit function:
 - i. To review the adequacy of the scope, function, resources and competency of the internal audit function and whether it has the authority to carry out the work and has adopted a globally recognised framework;
 - ii. To review the internal audit plan, processes and results of the internal audit assignments (including any special investigations) undertaken and ensure that appropriate actions are taken based on the recommendations;
 - iii. To review the budget and ensure sufficient resources are allocated to the internal audit function;
 - iv. To ensure that the internal audit function is independent of the activities it audits and that the internal auditor reports functionally and directly to the AC;
 - v. To appraise or review any appraisal or assessment of the performance of members of the internal audit team;
 - vi. To approve any appointment or termination of service providers i.e. the internal audit function; and
 - vii. Take cognisance of resignations of service providers of the internal audit function and provide them an opportunity to submit reasons their resignations.
- (b) To determine the scope of coverage of the internal audit function.

5.4 Related party transactions

To perform the following in relation to related party transactions:

- (a) To ensure that Management establishes a comprehensive framework for the purposes of identifying, evaluating, approving, reporting related party transactions and

monitoring conflict of interest situations;

- (b) To ensure that the internal audit function review on the recurring related party transactions to determine whether the transactions have been carried out in accordance with the mandate approved by shareholders and on commercial terms not more favourable than those available to non-related third parties;
- (c) To consider any related party transactions and conflict of interest situation that arose, persist or may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity and the measures taken to resolve, eliminate, or mitigate such conflicts; and
- (d) To review non-recurring corporate proposals involving related parties to ensure that they are in the best interest of the Group and not detrimental to the interest of minority shareholders.

5.5 Risk Management and Internal Control

- (a) To review areas of significant business and financial risk and the arrangements in place to mitigate those risks to acceptable levels;
- (b) To review the adequacy and effectiveness of the Group's risk management and internal control, including the management information system implemented by the Management as well as sustainability strategies, priorities and targets which are aligned with the Group's business;
- (c) To monitor risk management processes, ensuring they are integrated into all core business processes;
- (d) To consider the major findings of internal investigations and Management's response;
- (e) To review the Group's risk management policy and procedures, including implementation of the risk management framework; and
- (f) To review the Statement on Risk Management and Internal Control before recommending to the Board for inclusion in the Company's Annual Report.

5.6 Other matters

- (a) Prepare an AC Report at the end of the financial year for inclusion in the Annual Report pursuant Bursa Securities' Main Market Listing Requirements; and
- (b) Undertake such other assignments as may be requested by the Board from time to time as the AC considers appropriate.

6. Cooperation from Management

The Management of the Group shall provide its fullest co-operation in providing information and resources to the AC and in implementing or carrying out all requests made by the AC pursuant to the terms of reference of the AC.

7. Meetings

- (a) The AC shall meet at least five (5) times in each financial year (including reviewing audited financial statements for recommendation to the Board), or more frequently, if deemed necessary.
- (b) In the absence of the Chairman, the other members shall amongst themselves elect another member to chair the meeting.
- (c) The CFO, the Head of Internal Audit Function and the External Auditors (or their representatives) are to be invited to attend the AC meetings. Other Board members may also be present upon invitation. However, the AC shall meet with the external and internal auditors without the presence of any Executive Directors, at least twice a year.
- (d) The Company Secretary shall be the Secretary of the AC and shall be responsible for coordination of administrative details, including calling the meeting, voting by members and keeping of minutes of meeting
- (e) The Chairman shall convene a meeting of the AC if a request is made by any AC member, the Managing Director, the internal auditors or external auditors, which believed should be brought to the attention of the AC.
- (f) The external auditors have the right to appear and to be heard at any meeting of the AC from time to time and shall appear if so required by the AC.
- (g) Motions put forward to the AC shall be decided on a majority of votes. Each member shall be entitled to only one vote.
- (h) The AC may participate in a meeting virtually via a secure online meeting platform or other communication equipment by means of which all persons participating in the meeting can hear each other. Participation of the members shall be deemed to be present in person at such meeting.

8. Quorum

The quorum shall be two (2) Independent Directors.

9. Minutes

Minutes of each meeting shall be kept at the registered office and the Secretary (which expression shall include assistant to the Secretary shall distribute the minutes of each AC Meeting to all members of the AC as well as members of the Board for notation. The minutes of the AC meeting shall be signed by the Chairman of the said meeting or by the Chairman of the next succeeding meeting. The AC's confirmation of the Minutes shall be taken as a correct proceeding thereat.

The Chairman shall report on each meeting to the Board.

10. Review of the Terms of Reference

- (a) The AC shall recommend changes to its terms of reference to fulfil such other requirements as prescribed by Bursa Securities and/or to align the AC with recommended best practices and proper corporate governance as the AC deems appropriate to the Board for approval.
- (b) The terms of reference shall be assessed, reviewed and updated as and when necessary, not more than three (3) years.

-----*END OF APPENDIX D*-----

TERMS OF REFERENCE OF NOMINATION COMMITTEE

1. Objectives

The principal objective of the Nomination Committee (“**NC**” or “**Committee**”) is to assist the Board of Directors (“**Board**”) in identifying and selecting suitable candidates for the appointment of new Directors and Senior Management as well as to assess the performance of the Board, Board Committees and the individual Directors on an annual basis.

The NC also ensures that the Board comprises Directors with an appropriate mix of skills, experience, competency, diversity and a proper balance between Executive and Non-Executive Directors.

2. Composition of members

The Board shall elect the NC members from amongst themselves and shall not be less than three (3) members, comprising exclusively Non-Executive Directors, with a majority of them being Independent Directors.

3. Chairman

The Chairman of the NC shall be elected from amongst the NC members and shall be an Independent Director.

In the absence of the Chairman, the other Independent Director shall be the Chairman for that meeting.

4. Meetings

4.1 The Committee shall meet at least once a year or at such frequency as deemed necessary. The Chairman may call for additional meetings at any time at his discretion.

4.2 Other members of the Board and Management may attend meetings upon invitation from the NC.

4.3 The Committee members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.

4.4 All decisions of the NC shall be decided on the votes of simple majority of those Members present. Any decision or recommendation made at the NC shall be subject to the review and ultimate approval of the Board.

5. Notice of Meetings

Minimum seven (7) days or such shorter notice as the NC may deem fit depending on the nature and prevailing circumstances at hand.

6. Quorum

A quorum shall consist of two (2) members who are Independent Directors.

7. Minutes

Minutes of each meeting shall be kept at the registered office and the Secretary (which expression shall include the assistant of the Secretary) shall distribute the minutes of each NC Meeting to all members of the Committee as well as the members of the Board for notation. The minutes of the NC meeting shall be signed by the Chairman of the said meeting or by the Chairman of the next succeeding meeting. The Chairman's confirmation of the Minutes shall be taken as a correct proceeding thereat. The Chairman shall report to the Board after each meeting.

8. Secretary

The Secretary of the NC shall be the Company Secretary. In the event any of the Company Secretary(ies) is unable to attend, their assistants may be appointed for the specific meeting.

9. Duties and Responsibilities

The duties and responsibilities of the NC are as follow:-

9.1 Appointments

- a. To consider and recommend candidates for directorships in the Company including its subsidiaries to the Board. In making the recommendations, the NC shall not solely rely on the recommendation of Managing Director, existing Directors, senior Management or major shareholders but shall also utilise independent sources such as directors' registry, open advertisements or independent recruitment firm to identify suitable and qualified candidates. If the NC had not considered independent sources in their selection process for a new Director, the NC shall disclose in the Corporate Governance Report on why they were not utilised.

In making its recommendations to the Board, the NC shall ensure the candidates are assessed for suitability and according to the fit and proper criteria set out in the Directors' Fit and Proper Policy, including considering amongst others, the following criteria:

- Required skills, knowledge, expertise and experience required;
- Time commitment, character, professionalism and integrity;
- Number of directorships including directorship on boards of non-listed companies outside the Group and/or other external obligations that may affect the Director's commitment;
- Specialist knowledge or technical skill; and
- In the case of candidates for the position of Independent Directors, the NC shall

also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Directors.

- b. To consider and recommend to the Board, potential candidates for the appointment of Senior Management.
- c. To review the number of Non-Executive Directors, Board balance and determine if additional Board members are required and also to ensure that at least 1/3 of the Board is made up of Independent Directors and at least one (1) Director is a woman as required under the Main Market Listing Requirements.
- d. To recommend to the Board, the nominees to fill the seats on Board Committees.

9.2 Retirement and Re-election

- a. To ensure that every Director including Executive Directors are subject to retirement at least once in every three (3) years. A retiring Director shall be eligible for re-election.
- b. To review and ensure that the tenure of an Independent Director does not exceed a cumulative term of nine (9) years and shall not be further extended.
- c. To review and recommend to the Board on the re-election of retiring Directors that are to be approved by shareholders, pursuant to the Company's Constitution. The recommendation for re-election of a Director shall be contingent on satisfactory evaluation of the said Director's performance and contribution to the Board.

9.3 Fit and Proper Assessment

The NC, in conducting the fit and proper assessment, shall be guided by the Directors' Fit and Proper Policy prior to the appointment of prospective Director or prior making recommendation to the Board on the re-election of retiring Directors of the Company and its subsidiaries.

9.4 Annual Performance Assessment

- a. To perform an annual review on the structure, size and composition of the Board as well as to review the skills, knowledge, experience and other qualities of the Board, including core competencies which Non-Executive Directors should bring to the Board and recommend to the Board on any improvements to be made.
- b. To facilitate the implementation of formal annual assessment on the effectiveness of the Board as a whole, Board Committees and individual Director based on the criteria for performance evaluation, independence of each of the Independent Directors to ensure he/she is continually independent in order to provide appropriate scrutiny and impartial judgement. The results of the performance evaluation shall be reviewed and documented thereafter.

The performance evaluations of the Board shall include a review of their performance in addressing the Company's material sustainability risks and opportunities. The assessment and evaluation shall be disclosed in the Annual Report.

- c. To review annually, the terms of office, competency and performance of the Audit Committee and each of its members to determine whether the Audit Committee and its members have carried out their duties in accordance with their terms of reference.
- d. To conduct Board's evaluation which is periodically facilitated by a professional, experienced and independent party, if required.
- e. To develop, maintain and review the criteria for evaluating the performance of the Board, Board Committees and each individual Director.

9.5 Succession Planning

- a. To consider succession planning for Directors and Senior Management, taking into account the challenges and opportunities faced by the Group and the skills and expertise needed on the Board and Senior Management in the future.
- b. To review leadership needs of the Group, both executives and non- executives, with the view to ensuring the continued ability of the Group to compete effectively in the market place.

9.6 Induction and Training Programmes

- a. To recommend to the Board and facilitate appropriate induction and education programme for new Directors.
- b. To assess the training needs of the Directors to ensure they are kept abreast with the latest developments in the industry and regulatory changes as well as for the closure of skill gaps, if any and disclose the details in the Annual Report.

9.7 Others

- a. To introduce any regulation which enable the smooth administration and effective discharge of the Committee's duties and responsibilities.
- b. To stay abreast with the strategic issues and commercial changes affecting the Group and the market in which it operates.
- c. To decide and implement such other matters as may be delegated by the Board from time to time.
- d. To develop and review the policy on Board Diversity to ensure a diverse range of qualified candidates are considered for Board appointments.
- e. To assist the Board in the development of the Directors' Fit and Proper Policy for the appointment of prospective Directors and re-election of retiring Directors of the Company and its subsidiaries.

10. Reporting Responsibilities

The Chairman of NC shall report on each meeting to the Board on the nature and extent of the functions performed by NC based on these terms of reference. The NC shall make recommendations to the Board as it deems appropriate, on any area within its terms of reference and/or where action or improvement is needed.

11. Review of the Terms of Reference

- a. The Committee shall recommend any changes to its terms of reference to fulfil such other requirements as prescribed by Bursa Malaysia Securities Berhad and/or to align the NC with recommended best practices and proper corporate governance as the NC deems appropriate to the Board for approval.
- b. The terms of reference shall be assessed, reviewed and updated as and when necessary, not more than three (3) years.

-----***END OF APPENDIX E***-----

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

1. Objective

The principal objective of the Remuneration Committee (“**RC**” or “**Committee**”) is to assist the Board of Directors (“**Board**”) in establishing formal and transparent remuneration policies and procedures to attract and retain Directors and Senior Management of the Company and its subsidiaries (“**Group**”).

The Board decides on the remuneration packages which are determined by the abovementioned policies and procedures after considering the recommendations of the RC.

2. Composition

The Board shall elect the RC members from amongst themselves, comprising of at least three (3) members, wholly or mainly Non-Executive Directors, with a majority of them being Independent Directors.

3. Chairman

The Chairman of the RC shall be elected from amongst the RC members, approved by the Board. In the absence of the Chairman, the members of the Committee can elect from amongst themselves the Chairman for the Meeting.

4. Meetings

- 4.1 The Committee shall meet at least once a year or at such other frequency as deemed necessary. The Chairman may call for additional meetings at any time at his discretion.
- 4.2 The Committee members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.
- 4.3 All decisions of the RC shall be decided on the votes of simple majority of those members present. The Directors present at the RC meeting shall abstain from all deliberations and voting in respect of their own proposed remuneration.
- 4.4 Any decision of recommendation made at the RC shall be subject to the review and ultimate approval of the Board.

5. Notice of Meeting

Minimum seven (7) days or such shorter notice as the RC may deem fit depending on the nature and prevailing circumstances at hand.

6. Quorum

A quorum shall consist of two (2) members who are Independent Directors.

7. Minutes

Minutes of each meeting shall be kept at the registered office and the Secretary (which expression shall include the assistant of the Secretary) shall distribute the minutes of each RC Meeting to all its members and members of the Board. The minutes of the RC meeting shall be signed by the Chairman of the said meeting or by the Chairman of the next succeeding meeting. The Chairman's confirmation of the Minutes shall be taken as a correct proceeding thereat.

The Chairman shall report on each meeting to the Board.

8. Secretary

The Secretary of the RC shall be the Company Secretary. In the event any of the Company Secretaries is unable to attend, their assistants may be appointed for the specific meeting

9. Duties and Responsibilities

The duties and responsibilities of the RC are as follows:

- a. To develop and review the policies and procedures in recommending remuneration packages for Directors and Senior Management of the Group to ensure that the Group attracts, motivates and retains the Directors and Senior Management of the appropriate calibre, experience, competency and quality needed to run the Group successfully.
- b. To review and assess the remuneration packages and structures of all the Directors in all forms, with or without independent professional advice or other external advice, by taking into consideration the Group's remuneration policies and procedures.
- c. In respect of the remuneration of Non-Executive Directors, the Board as a whole determines the remuneration of Non-Executive Directors with the Directors concerned abstaining from deliberations in respect of his/her individual remuneration. The fees and benefits payable shall reflect on their experiences, time commitment to discharge their duties and level of responsibilities undertaken by them in the Board and Board Committees.
- d. In determining the remuneration package of Executive Directors, the RC shall take into account qualifications, experience as well as the individual and the Group's performance. The remuneration of Executive Directors is reviewed by the RC annually or when it is deemed appropriate before recommending to the Board for approval. The Director concerned shall abstain from discussion of his/her own remuneration.
- e. The RC shall also consider the Group's performance in managing material sustainability risks and opportunities and the remuneration should also be aligned with the business strategy and long-term objectives of the Group.
- f. To ensure that the remuneration and incentives for Independent Directors do not conflict with their obligations to bring objectivity and independent judgement to the Board.
- g. To ensure that there are adequate retirement schemes in place for the Executive

Directors;

- h. To consider and examine such other matters as the RC considers appropriate.
- i. To engage external professional advisors to assist and/or advise the RC, on remuneration matters, where necessary.
- j. Oversees the qualitative and quantitative disclosures of remuneration made in the Annual Report, Corporate Governance Report and notice of general meetings.
- k. To provide clarification to shareholders during general meetings on matters pertaining to remuneration of Directors as well as overall remuneration framework of the Group.
- l. To suggest any practices and procedures which enable the smooth administration and effective discharge of the RC's duties and responsibilities.
- m. To decide and implement such other matters as may be delegated by the Board from time to time.

10. Reporting Responsibilities

The Chairman of RC shall report on each meeting to the Board on the nature and extent of the functions performed by RC based on these terms of reference. The RC shall make recommendations to the Board as it deems appropriate, on any area within its terms of reference and/or where action or improvement is needed.

11. Review of the Terms of Reference

- a. The Committee shall recommend changes to its terms of reference to fulfil such other requirements as may be prescribed by Bursa Securities and/or to align the RC with recommended practices and proper corporate governance as the RC deems appropriate to the Board for approval.
- b. The terms of reference shall be assessed, reviewed and updated as and when necessary, but at intervals of not more than three (3) years.

-----*END OF APPENDIX F*-----