



[www.tsa.com.my](http://www.tsa.com.my)  
SINCE 1993

**TSA GROUP BERHAD**  
[Registration No. 202201010003 (1455700-A)]  
(Incorporated in Malaysia)

---

## BOARD CHARTER

---

### REVISION HISTORY

Version	Effective Date
1	3 November 2022
2	17 May 2024
3	19 November 2025

### IMPLEMENTATION DATE

Version	Effective Date
1	23 November 2022
2	17 May 2024
3	19 November 2025

---

## 1. INTRODUCTION

The Board of Directors (“**Board**”) of TSA Group Berhad (“**TSA**” or “**the Company**”) recognises the importance of corporate governance to the success of the Company and its subsidiaries (“**the Group**”) businesses with the leading and overseeing of the business of the Group, which includes optimising long-term financial returns and shareholder wealth creation.

The Board Charter is prepared in accordance with the principles and practices of the Malaysian Code on Corporate Governance (“**MCCG**”) as considered appropriate, ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”), certain aspects of the Company’s Constitution and relevant portions of the Companies Act 2016 (“**CA 2016**”) in so far as the duties and responsibilities of Directors and the management are concerned.

## 2. OBJECTIVE

The Board Charter will serve as authoritative policy documents that set out the Board’s strategic intent, authority and terms of reference. The Board Charter (“**Charter**”) set out the roles, responsibilities and authorities of the Board of Directors (“**Board**”), both individually and collectively, and of management in setting the direction, the management and control of the Company with the aim of streamlining and enhancing corporate governance practices towards transparency, accountability and integrity in boardroom activities.

## 3. VISION, MISSION AND VALUES OF THE COMPANY

### VISION

To continuously provide customers with trusted products and services and be a leading total industrial supplier in Malaysia and the Region.

### MISSION

#### **COMMITMENT TO BUSINESS**

Sustainable growth in sales and earnings through innovative products development to meet customers’ evolving needs.

#### **COMMITMENT TO CUSTOMERS**

Act with integrity at all times, upholding our values and ethics, and building trust through long-term relationship.

#### **COMMITMENT TO EMPLOYEES**

Equal access to career development opportunities under one “Big-Family” through performance excellence and reward.

#### **COMMITMENT TO SHAREHOLDERS**

Value creation through resilience and best-in-class shareholders’ returns.

### VALUES

1. C - Wholeheartedly meet customers’ needs and requirements.
2. A – Acknowledge importance of supply chain relationship.
3. R - Accountable to shareholders through best in class returns.
4. E – Respect the dignity and contribution of employees through empowerment.
5. S - Recognize the concerns and needs of society.

## **4. THE BOARD**

### **4.1 Board Composition and Board Balance**

- (1) The Constitution of the Company provides for a minimum of two (2) and a maximum of fifteen (15) Directors. The present Board composition is in compliance with the Listing Requirements as one third of its members are Independent Directors, and seek to have at least half (1/2) of the Board to comprise of Independent Directors, where possible. If the number of directors is not three (3) or multiple of three (3), then the number nearest one-third shall be used for purposes of determining the requisite number of Independent Directors. The Board must have at least one (1) woman director.
- (2) In line with the MCCG, the Company shall strive to fulfil the recommendation that at least half of the Board comprises of Independent Directors.
- (3) The Board will appoint a Chairman of the Board from among the Directors. The Chairman of the Board should not be a member of the Audit Committee, Nomination Committee and Remuneration Committee.
- (4) The position of the Chairman and if desired, the Deputy Chairman and Managing Director (“MD”) or Chief Executive Officer (“CEO”) must be held by different individuals. The distinct and separate roles of the Chairman, Deputy Chairman and MD or CEO, with a clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making.
- (5) The Board should be of a size and composition with the benefit of diversity in skills, experiences, age, cultural background and gender, perspectives and skills that are conducive to effective decision making and effective discharge of its roles and responsibilities for the benefit of the Company.
- (6) The Board through the Nomination Committee shall review the size and composition of the Board and Board Committees, which include the skill sets, experience and functional knowledge of its members periodically, to ensure an appropriate balance of skills, experiences and diversity.
- (7) The Board shall establish a fit and proper policy for the appointment and re-election of Directors of the Company and its subsidiaries (“Fit and Proper Policy”). The Fit and Proper Policy outlines the base line considerations outlined such as character and integrity, experience and competence and time and commitment for selection or appointment of the Directors and provides a skills matrix in relation to the Board composition. This policy serves to guide the Board in the selection of new candidates or re-election of the Directors. The Board opined that its members should have wide ranging experience, skill, knowledge that add value to the Company and its Group. The qualifications for Board membership are the ability to make informed business decisions and recommendations; possess an entrepreneurial talent for contributing to the creation of shareholder value; relevant experience, the ability to appreciate the wider picture of the Group’s business; ability to ask probing operational related questions; high ethical standards; sound practical sense; and total commitment to furthering the interests of shareholders and achievement of the Group’s goals. In addressing this, the Board shall consider recommendations by the Nominating Committee pertaining to nominees for directorship in the Company.

### **4.2 Appointments and Re-elections of Directors**

- (1) The Board will base on the Fit and Proper Policy to consider and decide on the appointment of a new director upon appropriate recommendation from the Nomination Committee. The Nomination Committee is responsible for identifying and nominating suitable candidates for the appointments to the Board for approval, either to fill vacancies

or as an addition to meet the changing needs of the Company.

- (2) In identifying candidates for appointment of Directors, the Board does not solely rely on recommendations from existing Board members, Management or shareholders. The Board shall endeavour to utilise independent sources or any other sources to identify the suitably qualified candidate. The Company should disclose in its corporate governance report how candidates for board positions were sourced, including, whether such candidates were recommended by the existing Directors, members of senior management or major shareholders of the Company.
- (3) The appointment of a new Director is a matter for consideration and decision by the Board upon appropriate recommendation from the Nomination Committee.
- (4) In appointing or reappointing a board member, the board should consider the current composition of the board and the tenure of each director on the board. If there are long serving Independent Directors, including Chairmen of the respective Board Committees, the board should review its composition and evaluate the need to bring new skills and perspectives to the boardroom.
- (5) To enhance its effectiveness, the Board shall ensure its members have the relevant skills, experience, expertise and time commitment. The Nomination Committee is, therefore, entrusted by the Board to appraise candidates for directorship as set out in Paragraph 4.1.7 of the Charter and the Fit and Proper Policy, including those who retire and offer themselves for re-election, before recommending to the Board.
- (6) In making the evaluation, the Nomination Committee and the Board will consider the required mix of skills, experience, gender diversity and other qualities including core competencies, where appropriate.
- (7) In accordance with the Company's Constitution, all Directors who are appointed by the Board may only hold office until the following Annual General Meeting ("AGM") subsequent to their appointment and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are required to retire by rotation at that AGM.
- (8) The Company's Constitution also provides that one-third (1/3) of the remaining Directors, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) be subject to re-election by rotation at each AGM provided always that all Directors including the MD or CEO shall retire from office at least once every three (3) years but shall be eligible for re-election.

#### **4.3 Independence**

- (1) An Independent Director shall have the meaning given in the Listing Requirements.
- (2) The Board with assistance from Nomination Committee undertakes to carry out an annual assessment of the independence of its Independent Directors and focus beyond the Independent Director's background, economic and family relationships and consider whether the independent director can continue to bring independent and objective judgment to board deliberations. The Listing Requirements emphasise that even if a person does not fall within any of the disqualifying indicators enumerated out in the Listing Requirements, both the Director and the Board must give effect to the spirit, intention and purpose of the definition of an Independent Director. There must be a conscious application of the test of whether the said Director can exercise independent judgment and act in the best interests of the Company, for example, a test of independence of mind and independence in appearance. The Nomination Committee will carry out the test of independence of mind on the Director to determine if the state of mind of the Director permits him/her to exercise independent judgment without being affected by influences

that compromise objectivity; whereas the test of independence in appearance relates to the test that the Director is free from any personal, family or economic interests which would lead a third party to cast doubts on an independent director's objectivity.

- (3) The attributes of collegial yet independent decision-making that must be vested in the Independent Director will be determined in part by the character of the individual and that of the whole ethos of the Board.
- (4) The tenure of an Independent Director on the Board of the Company shall not exceed a cumulative term of nine (9) years in the Company. If any Independent Director had cumulatively served as an Independent Director of the Company for more than nine (9) years, such Independent Director may continue to serve on the Board as non-independent director.

#### **4.4 Other Directorships**

- (1) As per the Listing Requirements, a Director of listed issuer must not hold more than five (5) directorships in listed issuers. 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 / her duty as a Director of the Company.
- (2) In line with best corporate governance practices, the Board should set out expectations on time commitment for its members and protocols for accepting new directorships in other companies. In this instance, Board members are expected to achieve at least 50% attendance of total Board Meetings in any applicable financial year pursuant to the Listing Requirements.
- (3) Before the acceptance of new board appointment(s) in other companies, the said Director should notify the Chairman of the Board and/or the Company Secretary in writing. The said notification should include an indication of the time that will be spent on the new appointment.

#### **4.5 Directors' Remuneration**

- (1) The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors needed to run the Company successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved, but without paying more than is necessary to achieve this goal.
- (2) The remuneration of Executive Directors shall be recommended by the Remuneration Committee with the individual Director concerned abstaining from discussing his / her individual remuneration. The amount of remuneration payable shall be determined concerning the corporate and individual performance of Directors.
- (3) Non-Executive Directors will be paid a fee for acting as Directors of the Company, subject to approval by shareholders.

The Board has established formal and transparent remuneration policies and procedures as a guide for the Board and the Remuneration Committee to determine the remuneration of Directors and Senior Management of the Company, which take into account the demands, complexities and performance of the Company (including in managing material sustainability risks and opportunities) as well as skills and experience required. The remuneration and incentives for Independent Directors should not have any conflict of interest with their obligation in bringing objectivity and independent judgment on matters discussed. The Board should determine who makes up Senior Management and if any other group of employees should be covered by the remuneration policy and procedures.

- (4) The policies and procedures are periodically reviewed and made available on the Company's website together with terms of reference for the Remuneration Committee.
- (5) The total amount of Directors' fees and benefits payable to the Directors is subject to annual shareholders' approval at general meetings. The Company will table separate resolutions on the approval of the fees of each Non Executive Director at the general meeting. Directors who are shareholders should abstain from voting at general meetings to approve their fees. Similarly, Executive Directors should not be involved in deciding their own remuneration.
- (6) There is detailed disclosure on a named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonuses, benefits-in-kind and other emoluments.
- (7) The board discloses on a named basis the top five senior management's remuneration components including salary, bonus, benefits-in-kind and other emoluments in bands of RM50,000.

#### **4.6 Directors' Training and Continuing Education**

- (1) All appointed Directors must complete the Mandatory Accreditation Programme (MAP) and any other training and continuing education programme, as required and within the time set out by Bursa Securities.
- (2) All Directors must attend the induction of the Company and training programmes that are prescribed by the Bursa Securities from time to time and are encouraged to attend various external and internal training sessions, seminars, forums and conferences, particularly on corporate ethics and integrity matters, risk management, the latest development or changes in statutes, relevant regulatory requirements and corporate governance practices, etc that are conducive to discharging their roles, functions and duties effectively. All costs incurred ancillary or incidental to the training shall be borne by the Company.
- (3) The Nomination Committee in association with the Chairman may decide on the continuous education training programme for Directors. The Board evaluation should provide feedback to help determine the upskilling or development needs of individual Directors or the Board.
- (4) The Board, assisted by the Nomination Committee, shall evaluate and determine the training needs of its Directors on an ongoing basis by determining areas that would best strengthen their contribution to the Board and must aid the Directors in the discharge of his / her duties as a Director.
- (5) The Board of Directors must disclose in the annual report of the Company, a statement on the training attended by the Directors which includes the following information:
  - (a) the Board has undertaken an assessment of the training needs of each Director;
  - (b) a brief description on the type of training that the Directors have attended for the financial year; and
  - (c) in exceptional circumstances, where any director has not attended any training during the financial year, valid justifications for the non-attendance of such Director.

#### **4.7 Board Diversity**

- (1) The Board recognises that board diversity is an essential element contributing to the sustainable development of the Group and it does not discriminate based on ethnicity, age, gender, nationality, political affiliation, religious affiliation, marital status, education background or physical ability. This includes working towards the representation of at

least 30% women directors in the Board composition. Women's participation in decision-making positions should not be focused on board positions alone but also be broadened to include women in senior management, as the same benefits apply. Diversity, when extended to senior management, will also serve as a talent pipeline for board candidacy.

- (2) In making a recommendation of suitable candidates, the Nomination Committee shall refer to the Fit and Proper Policy as well as consider the following:-
  - Character and Integrity
  - Experience and competence
  - Qualifications;
  - Skills and competence;
  - Functional knowledge;
  - Experience;
  - Character;
  - Gender diversity;
  - Integrity and professionalism;
  - Time and commitment;
  - Conflict of Interest; and
  - In the case of candidates for the position of Independent Directors, whether the test of independence under the Listing Requirements is satisfied.
- (3) The Company recognises diversity as a critical attribute of a well-functioning leadership team; a more diverse leadership team better reflects the realities of the society, strengthens strategy formulation and risk management by adding varying perspectives and enhances the overall credibility of the Company and its subsidiaries. The Board is pleased to set out its approach to boardroom diversity under the Gender Diversity Policy to ensure that women candidates are sought as part of its recruitment exercise. The disclosure of the activities of the Nomination Committee during the reporting period should include how the Nomination Committee in the discharge of its duties to accelerate gender diversity uptake in the Board composition and senior management.

## **5. BOARD ROLE AND RESPONSIBILITIES**

### **5.1 Duties and Responsibilities of the Board**

- (1) The Charter develops a shared understanding of the Board's role throughout the Company and assists the Company's leadership in delivering good governance. The Board is collectively ultimately responsible for establishing all strategies and policies relating to the running of the Company and the creation of long term shareholder value, whilst taking into account the interests of other stakeholders.
- (2) All Directors should objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company. All Directors must act with integrity, lead by example, and keep abreast of his / her responsibilities as a director and of the conduct, business activities and development of the Company.

- (3) The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out the delegated duties.
- (4) The Board shall at all times exercise diligence for a proper purpose and in good faith in the best interest of the Company and shall act honestly, lead by example and use reasonable care, skill and diligence in the discharge of the duties of his / her office and shall not make use of any information acquired by virtue of his / her position to gain directly or indirectly an improper advantage for himself or for any other person or to cause detriment to the Company. They shall avoid undeclared conflict of interest situations.
- (5) The Board should have sufficient understanding and knowledge of sustainability issues that are relevant to the Company and its business, to discharge its role effectively. A measure of whether a board of directors of a company has the required capacity and competency is its ability to scan the business environment constantly and keep abreast of changes that could materially affect the achievement of strategic objectives and tackle questions and deliberate on sustainability, as well as evaluate the sustainability risks and opportunities, and make informed decisions on the matter. To ensure the Board is equipped and ready to execute its role, the Board should identify its professional development needs concerning sustainability and ensure these are addressed. The Board should also review and consider whether a change in its composition periodically or of its skills matrix is required to strengthen board leadership, oversight of sustainability issues, as well as the need to bring new skills and perspectives to the boardroom.
- (6) In line with the MCCG, the Board has the following key responsibilities: -
  - (a) adopting and, from time to time, reviewing a strategic plan, as developed by the Management, taking into account the sustainability and long-term value creation of the Group's business and strategy, with attention given to the economic, environmental, social considerations underpinning sustainability and governance aspects of the business;
  - (b) adopting a sustainability policy to oversight on environment, social and governance ("ESG") strategy of the Company and strategic management of risks and opportunities and the materiality of ESG matters to ensure the Company remains resilient, is able to meet sustainability goals and maintain the confidence of its stakeholders;
  - (c) reviewing, challenging and deciding on Management's proposals on matters for the Company including, but not limited to, corporate strategy, business plan and budget, and monitor the implementation by Management;
  - (d) supervising and overseeing the conduct of the Company's business, including assessing and monitoring the performance of Management to determine whether the business is being properly managed;
  - (e) overseeing the Group's adherence to the Group's Anti-Bribery and Corruption Policy, Anti-Money Laundering Policy, Privacy Notice and high standards of conduct or ethics and corporate behaviour, including the Code of Conduct and Ethics;
  - (f) ensuring there is a sound framework for internal controls and risk management;
  - (g) identifying and assessing principal business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to manage such risks;
  - (h) setting the risk appetite within which the Board expects management to operate and ensure that there is an appropriate annual review and periodic testing of the Company's internal control and risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks. The framework adopted by the internal auditors of the Group will be based on an internationally recognised risk management framework;



- (i) adopting a succession planning policy of the Board and the senior management and reviewing from time to time the succession plan of the group, including appointing, training, compensating and where appropriate, to provide for the orderly succession of senior management;
  - (j) establishing a corporate disclosure policy and overseeing the development and implementation of the shareholders communication policy and an investor relations programme for the Company;
  - (k) reviewing the adequacy and integrity of the Company's management information the adequacy and integrity of the Company's management information and internal control systems, ensuring there is a sound framework for reporting internal controls and regulatory compliance;
  - (l) together with senior management to promote good corporate governance culture by reinforcing accountability, transparency, integrity, professionalism and responsible conduct ethical, prudent and professional behaviour;
  - (m) ensure that the Company has in place procedures to enable effective communication with stakeholders;
  - (n) ensure the integrity of the Company's financial and non-financial reporting. Courts have held that it is the duty of every director to read the financial statement of the company and carefully consider whether what they disclose is consistent with the director's own knowledge of the company's affairs; and
  - (o) ensuring that governance in the Group is implemented holistically through a group governance framework.
- (7) 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 the decision is set out in Rule 5.3 of this Charter.
- (8) The Board shall establish an internal audit function, which is independent of the activities it audits, and identify a head of internal audit or outsource the internal audit function to an external consultant who reports directly to the Audit Committee. The Board shall ensure that periodically test internal control and risk assessment systems are set up for integrity and soundness.
- (9) The Board shall maintain and keep proper records and accounts of the Group.

## **5.2 Duties and Responsibilities of the Directors**

- (1) In discharging the above responsibilities under Rule 5.1, Directors are expected to:
- (a) be aware of the environment the Group is operating in;
  - (b) at all times act not only in good faith and honesty, but also in the best interests of the Company and promote the Company's success for all its shareholders as a whole by exercising independent judgement with reasonable care, skill and diligence, whilst having regard to, among other matters, the interests of employees, the fostering of business relationships with customers, suppliers and others, and the impact of the Group's operations on the communities in which the business operates and the natural environment;
  - (c) at all times avoid conflicts of interest and shall observe the Related Party Transaction Policy. Every Director shall as soon as practicable after the relevant facts have come to his / her knowledge, declare the nature of his / her interest (direct or indirect) in a proposed transaction or arrangement with the Company at a meeting of the Directors of the Company. He/she shall give notice to the Company of such events and matters relating to him/her as may be necessary or expedient to enable the Company and its officers to comply with the requirements of the CA 2016;
  - (d) the Independent Directors must understand their oversight role, including the exercise of independent and objective judgment in decision making;

- (e) commit and devote sufficient time and efforts in discharging their duties responsibly;
- (f) take an active interest in the Group's affairs, obtain a general understanding of its business and follow up on anything untoward that comes to his / her attention;
- (g) only exercise powers (such as the power to delegate) under the terms for which he/she is granted and for a proper purpose, and act under the Company's Constitution;
- (h) ensure that the Group complies fully with the relevant rules, regulations and laws;
- (i) provide entrepreneurial leadership of the Company, within a framework of prudent and effective controls which enables risk to be assessed and managed;
- (j) help set the Group's values and standards, and ensure that the Company's obligations to its customers, shareholders, finance providers, regulators and others are understood and met;
- (k) shall not make use of any information acquired by his / her position to gain directly or indirectly an improper advantage for himself or for any other person or to cause detriment to the Company;
- (l) contribute actively in Board discussion and deliberation of issues by providing sound advice based on the Directors' experience and specific expertise they bring to the Board as well as any additional knowledge, skill and experience which he has and maybe guided as follows:-
  - (i) Ensuring that the Company or Group has established an effective governance system and process, including compliance with regulatory requirements;
  - (ii) Refraining from rushing into decision-making. Provide adequate time for deliberations and evaluations of transactional and financial matters;
  - (iii) Require sufficient notice and distribution of board papers and explanatory appendices in advance of meetings;
  - (iv) Convene supplemental meetings in response to requests for further information before the final decision;
  - (v) Make informed decisions based on the information provided and analysis and recommendations of the company's independent professional advisers;
  - (vi) Ensuring that there is no undue pressure from dominant personalities or nominees of significant shareholders; and
  - (vii) Base reliance on others where there is a sound basis for doing so.
- (m) attend regular training programmes to be apprised of changes in regulatory requirements the Group is subjected to; and
- (n) to act in good faith and must act honestly in line with the Company's interest

### **5.3 Matters Reserved for the Board**

The following list of matters is reserved for the Board's attention and approval, except where they are expressly delegated by the Board to a Board Committee, the Chairman, the MD or the CEO:-

#### **1. Board structure**

- (a) Appointment and recommendation for removal of Directors.
- (b) Appointment and removal of Company Secretary(ies).
- (c) Establishment of Board Committees, their members and the specific terms of reference.

#### **2. Board remuneration**

- (a) Recommendation of Directors' fees and any benefits payable to the Directors to be approved by shareholders.
- (b) Approval of remuneration packages, including service contracts, for EDs.
- (c) Recommendation of the benefits payable to the directors including any compensation for loss of employment of a director or former director to be approved by shareholders.

### **3. Company's operations**

- (a) Review and approve Company strategic plan and annual budget (including capital expenditure budget).
- (b) Approval of capital expenditure exceeding prescribed thresholds based on the formalised limits of authority.
- (c) Approval of investment or divestment in a company, business, property or undertaking.
- (d) Approval of investment or divestment of a capital project which represents a significant diversification from the Company's existing business activities.
- (e) Approval of major changes in the activities of the Company.
- (f) Approval of treasury policies and bank mandates of the Company.
- (g) Approval of limits of authority for the Company.
- (h) Review and approve any related party transactions and recurrent related party transactions.
- (i) Approval of opening and closing of the Company's bank account and authorised signatories for the operation of bank accounts including any amendments thereto.

### **4. Financial**

- (a) Approval of financial statements and their release (including financial reports for the announcement to Bursa Malaysia or the Securities Commission Malaysia).
- (b) Approval of any corporate announcement to the regulators like Bursa Malaysia and Securities Commission Malaysia.
- (c) Approval of any transactions that require shareholders' approval.
- (d) Approval of Directors' Report, Corporate Governance Statement, and Risk Management & Internal Control Statement for inclusion in the Company's Annual Report.
- (e) Approval of dividends for payment. Adoption of accounting policies in line with the Malaysian Financial Reporting Standards.
- (f) Approval the adoption of any significant change or departure in the accounting policy and practices of the Company and the Group.
- (g) Review the effectiveness of the Group's system of risk management and internal controls via the Audit Committee.

### **5. Others**

- (a) Granting of power of attorney by the Company.
- (b) Entering into any corporate guarantee and indemnity issued by the Company.
- (c) Recommendation for the changes in the Company's Constitution.
- (d) Change in financial year end.
- (e) Review and approval of the appointment, resignation, removal or replacement of external auditors and share registrar.
- (f) Approval of any reorganisation or restructuring of corporate structure.
- (g) Approval of the appointment of adviser or trustee and any subsequent changes.
- (h) Recommendation for alteration of share capital of the Company.
- (i) Recommendation for any allotment and issuance of new shares of the Company.
- (j) Approval of any acquisition or disposal of investment by the Company and its subsidiaries.

- (k) Recommendation for any share issuance scheme.
- (l) Recommendation for purchase of own shares by the Company.
- (m) Recommendation for issue of debt instruments.
- (n) Any other matters requiring the Board's approval under the limits of authority adopted by the Company and Group.

#### **5.4 Individual Director**

Every Director must, in the performance of his / her duties as a Director:-

- (1) at all times act not only in good faith and honesty, but also in the best interests of the Company and promote the Company's success for all its shareholders as a whole by exercising independent judgement with reasonable care, skill and diligence, whilst having regard to, among other matters, the interests of employees, the fostering of business relationships with customers, suppliers and others, and the impact of the Group's operations on the communities in which the business operates and the natural environment.
- (2) take an active interest in the Group's affairs, obtain a general understanding of its business and follow up on anything untoward that comes to his / her attention.
- (3) only exercise powers (such as the power to delegate) under the terms for which he/she is granted and for a proper purpose, and act under the Company's Constitution.
- (4) ensure that the Group complies fully with the relevant rules, regulations and laws.
- (5) provide entrepreneurial leadership of the Company, within a framework of prudent and effective controls which enables risk to be assessed and managed.
- (6) help set the Group's values and standards, and ensure that the Company's obligations to its customers, shareholders, finance providers, regulators and others are understood and met.
- (7) shall not make use of any information acquired by his / her position to gain directly or indirectly an improper advantage for himself or for any other person or to cause detriment to the Company.
- (8) shall at all times avoid conflicts of interest and shall as soon as practicable after the relevant facts have come to his / her knowledge, declare the nature of his / her interest (direct or indirect) in a proposed transaction or arrangement with the Company at a meeting of the Directors of the Company. Every Director shall give notice to the Company of such events and matters relating to him/her as may be necessary or expedient to enable the Company and its officers to comply with the requirements of the CA 2016.

#### **5.5 Chairman of the Board**

- (1) The Board will appoint a Chairman from among the Directors. The Chairman leads the Board and is responsible for the effective performance of the Board. The Chairman assumes a leadership role in the Board and represents the same to shareholders of the Company and other stakeholders. He is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board as a whole
- (2) The position of the Chairman of the Board shall be held by a Director who is not the CEO.
- (3) The Chairman of the Board should not be involved in the Board committees to ensure there is a check and balance as well as objective review by the Board.
- (4) The responsibilities of the Chairman of the Board, amongst others, are as follows: -

- (a) to ensure smooth and effective functioning within the Board;
- (b) to provide leadership to the Board, and oversee the Board in the effective discharge of its fiduciary duties;
- (c) to set the Board agenda in consultation with the MD or CEO and the Company Secretary and also to ensure the Board members receive complete and accurate information in a timely manner;
- (d) to chair the Board Meetings and lead in discussions at meetings and ensure efficient and effective conduct of the Board meetings;
- (e) to guide and mediate the Board's actions with respect to organisational priorities and governance concerns;
- (f) to encourage active participation and allow dissenting views to be freely expressed;
- (g) to promote constructive and respectful relations between Board members and manage the interface between the Board and Management;
- (h) to facilitate effective communication between the Board and the stakeholders;
- (i) to lead the Board in establishing and monitoring good corporate governance practices in the Company;
- (j) to assist with developing the Company's corporate strategy, building a pipeline of potential merger and acquisition transactions, growing the Company's market profile and establishing new corporate relationships;
- (k) to work with management in reviewing plans, defining issues, maintaining accountability and in any marketing efforts that would allow to effectively position the Company with investors to facilitate growth;
- (l) to commit the time necessary to discharge effectively their role as Chairman;
- (m) to ensure that Board meetings are effective in that:
  - the appropriate matters are considered during the meeting (for example, strategic and important issues);
  - matters are considered carefully and thoroughly;
  - all Directors are allowed to effectively contribute; and
  - the Board comes to clear decisions and resolutions are noted;
- (n) to ensure that the Board behaves under its Charter;
- (o) to manage the interface between the Board and management;
- (q) to perform other responsibilities as assigned by the Board, from time to time;
- (r) in conjunction with the MD or CEO, undertake appropriate public relations activities to provide effective communication with stakeholders and to communicate their views to the Board;
- (s) Be the spokesperson for the Company at the annual general meeting and in the reporting of performance and profit figures;
- (t) be the major point of contact between the Board and the MD or CEO;
- (u) be kept fully informed of current events by the MD on all matters which may be of interest to Directors;
- (v) regularly review with the MD or CEO, and such other appropriate senior officers, progress on important initiatives and significant issues facing the Company; and
- (x) to provide mentoring for the MD or CEO.

## 5.5 Managing Director or Chief Executive Officer

- (1) The MD or CEO assisted by his / her fellow Eds, serves as a conduit between Management and is responsible for implementing the programme to achieve the Company's goals and vision for the future, in accordance with the strategies, policies, programs and performance requirements approved by the Board, besides managing the daily operations of the Company. The position reports directly to and shall be subject to the control of the Board.
- (2) The MD's or CEO's primary objective is to seek to achieve the ongoing success of the

Company through being responsible for all aspects of the management and development of the Company. The MD or CEO is of critical importance to the Company in guiding the Company to develop new and imaginative ways of winning and conducting business and must possess industry knowledge and credibility to fulfil the requirements of the role.

- (3) The MD or CEO will manage a team of executives responsible for all functions contributing to the success of the Company.
- (4) The responsibilities of the MD or CEO, include the following:-
  - (a) to achieve the agreed Company's goals and observance of Management authorities delegated by the Board;
  - (b) to lead in setting the Company's sustainability strategies, priorities and targets and to drive the strategic management of the Company's material sustainability matters;
  - (c) to develop long-term strategic and short-term business plans, designed to enable the Company's requirements for growth, profitability and return on capital are achieved, subject to the Board's review and adoption;
  - (d) to oversee the business and day-to-day operations to ensure smooth and effective running of the Group;
  - (e) to select and appoint key staff as well as responsible for ensuring high competency, productivity and performance through performance management and professional development;
  - (f) to communicate the Group's mission, vision, values and personality to the employees.
  - (g) to provide assistance to members of the Board and the Board Committees, as required, in discharging their duties; and
  - (h) to assist 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.
  - (i) expecting to act within all specific authorities delegated to him by the Board.
  - (j) to execute 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;
  - (k) to direct and control all aspects of the business operations in a cost effective manner.
  - (l) 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 management personnel and issues pertaining to discipline of all employees.
  - (m) 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 the planned development.
  - (n) to ensure the success of the Company's governance and management functions.
  - (o) to undertake the role of key company spokesperson
  - (p) to ensure appropriate risk management practices and policies are in place.
  - (q) to develop and motivate direct reports and their respective teams.
  - (r) to assess the business opportunities of potential benefit to the Company.
  - (s) responsibility for proposals for major capital expenditure to ensure their alignment with corporation strategy and justification on economic grounds.
- (d) The Board shall receive the following from or through the MD or CEO at its 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;

- (b) where appropriate, a briefing on risk management issues and challenges faced by the Group, changes to legislation that may affect the Group's operations, litigations and other salient events or issues affecting the Group; and
  - (c) such assurances as the Board considers necessary to confirm that the Management's limits are being observed.
- (4) In discharging the above responsibilities, the MD or CEO can delegate appropriate functions to any member of Senior Management, including EDs, who shall report to the MD or CEO.

## **5.6 Executive Directors**

- (1) EDs are, as employees, involved in the day-to-day management of the Group. The EDs shall act within all specific authorities delegated to them by the Board. In essence, the conduit between the management and the Board in ensuring the success of the Company's human resources, financial management and governance function. The Executive Directors are responsible for the effective implementation of the Group's human resources plan and policies established by the Board as well as to oversee the financial conduct of the business to ensure its smooth and efficient operations.
- (2) The responsibilities of the Executive Directors include, but are not limited to the following:-
- (a) to ensure the efficient and effective day-to-day management of the Company with all powers, discretions and delegations authorised by the Board;
  - (b) to establish and implement the strategic direction of the Company as approved by the Board;
  - (c) to make recommendations to the Board relating to the business and operations of the Company;
  - (d) to identify and ensure all material matters affecting the Company are brought to the attention of the Board; and
  - (e) to carry out any other duties and responsibilities as assigned by the Board of Directors and/or MD or CEO from time to time.
- (3) In discharging the above responsibilities, the Executive Directors can delegate appropriate functions to any member of Senior Management, who shall report to the Executive Directors.

## **5.7 Independent Non-Executive Directors**

- (1) Independent Directors are to provide valuable opinions on the Company's issues including strategy, performance and key performance indicators standards of the management team, resource management, risk management and code of conducts. Independent Directors are 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.
- (2) The Independent Non-Executive Directors are not engaged in the day-to-day management of the Company and are expected to be vigilant guardians of the activities of the Board as a whole.
- (3) The Independent Non-Executive Directors are expected to focus on Board matters and not stray into 'executive direction', thus providing an independent view of the Company that is removed from the day-to-day running. They are appointed to the Board to bring independence, impartiality, wide experience, special knowledge and personal qualities.
- (4) The Independent Non-Executive Directors have a supervisory role in ensuring that a solid foundation for good corporate governance is provided to the Group and are required to:-

- (a) support the Chairman in ensuring that the Board provides effective direction for, and oversight of, the management of the Group and its compliance with its statutory and regulatory responsibilities;
- (b) provide input into the setting of the Group's strategic aims, the development of deliverable plans to achieve these objectives and the assessment of the effectiveness of the delivery by the Management of these plans;
- (c) constructively challenge and help develop proposals on strategies, and then fully empower and support the Executive Directors to implement the strategies;
- (d) bring independent and external dimension as well as constructive and informed comments on the Group's strategies, policies, performance, accountability, resources, key appointments and standards of conduct, through regular attendance and active participation in the Board/Board Committees meetings;
- (e) complement the skills and experience of the Executive Director, in particular through constructive probing based on review and analysis that brings to bear a wide range of skills, knowledge, experience and insight from other businesses and sectors;
- (f) demonstrate the financial literacy required for a proper understanding of the Group's activities and associated risks;
- (g) satisfy themselves on the adequacy and integrity of financial and other reporting to the Board and shareholders and that the systems in place provide robust and effective financial, operational and compliance controls and risk management;
- (h) take the lead where potential conflicts of interests arise regarding matters in which the specific interests of the Management and the wider interests of the Group may at times diverge, for instance, the remuneration of key senior management and the selection of Board members;
- (i) serve on the audit and risk management, remuneration, nomination and other governance committees, if invited; and
- (j) develop a balanced understanding of shareholders' views through meeting shareholders at general meetings, as those views may provide different perspectives on the Group and its performance.

## **5.8 Role of Senior Independent Director**

- (1) The Company has appointed a Senior Independent Director to whom concerns may be conveyed by shareholders and the public. The role of the Senior Independent Director include:
  - (a) acting as a sounding Board to the Chairman;
  - (b) serving as an intermediary for other directors when necessary;
  - (c) acting as a point of contact for shareholders and other stakeholders particularly on concerns that cannot be resolved through the normal channels of the Chairman and/or MD or CEO;
  - (d) leading the performance evaluation of the Chairman; and
  - (e) providing leadership support and advice to the Board in the event that the Board is undergoing a period of stress

## **5.9 Board Committees**

- (1) As managing and controlling companies have become more complex and demanding, boards are resorting to committees to assist them in the discharge of their duties and responsibilities.
- (2) However, the existence of Board Committees do not diminish the Board's responsibility for the affairs of a company. Board can delegate powers to committees but such delegation should be subject to the following:
  - (a) delegated authority under the Company's Constitution;
  - (b) clearly established terms of reference, defining their responsibilities and



- authority, which are approved by the Board;
  - (c) the Board must supervise its delegation; and
  - (d) the Board must not merely adopt or rely on the committees' recommendations without proper assessment and testing or challenging the same.
- (3) Each committee's role should be spelt out in written terms of reference approved by the Board. Each year, the Board, through Nominating Committee, reviews the Board Committee's effectiveness and performance.
- (4) The Board has established the following Board Committees which operate within clearly defined roles and responsibilities as set out in their respective terms of reference:-
- (i) **Audit Committee ("AC")**

The AC is formed to play a crucial role in the corporate governance process, a process that is one of the cornerstones of shareholders' protection. The Board may delegate, but not abdicate its responsibilities to the AC.

The AC must consist of no fewer than three (3) members. All the members must be Non-Executive Directors, with a majority of them being Independent Directors and are financially literate with a sufficient understanding of the business. The Chairman of the AC is chaired by an Independent Director, who is not the Chairman of the Board. All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

The key responsibilities of the AC are to:-

- (a) Ensuring reliability and integrity of the Company's financial accounting and reporting;
- (b) Overseeing financial reporting process;
- (c) Monitoring of internal control processes within the Group;
- (d) Evaluating the internal and external audit process;
- (e) Reviewing conflict of interest situations and related party transactions;
- (f) Ensuring a regular review and monitoring are conducted to assess the performance, efficiency and effectiveness of the anti-bribery programme, and ensure the programme is monitored and enforced all the time; and
- (g) Investigation and dealing with the issue or concern raised by any whistleblower or any reporting of violation of the policies of the Group.

The AC meets regularly to, amongst others; review the quarterly results, full-year financial statements, audit reports which include observations on risk management and internal controls, as well as related party transactions.

The terms of reference of the ARMC shall be approved by the Board.

(ii) **Risk Management Committee ("RMC")**

The members of the RMC should comprise no fewer than three (3) members, all of whom must be Non-Executive Directors, with the majority of whom, are independent Directors, including the Chairman.

The RMC is responsible for overseeing the risk management framework and all its related policies on a continual basis to ensure that they remain relevant for use, and monitors the effectiveness of risk management/mitigation action plans for the management and control of the key risks.

In discharging the above responsibilities, the RMC can establish the Risk Management Working Group, if so required to identify and manage the risks that the Group face continually so that the Group will be able to achieve its goals.

The terms of reference of the RMC shall be approved by the Board.

**(iii) Nomination Committee (“NC”)**

The members of the NC should comprise no fewer than three (3) members consisting wholly of Non-Executive Directors, a majority of them who are independent. The Chairman of the NC should be an Independent Director or Senior Independent Director.

The NC should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the NC and the annual re-election of a director should be contingent on satisfactory evaluation of the director's performance (including how to address the material sustainability risks and opportunities) and contribution to the board based on a skill matrix outlined in the Fit and Proper Policy.

The NC shall base on the Fit and Proper Policy for the appointment and re-appointment of Directors and senior Management. The candidate selection process should be guided by a skills matrix under this policy.

The NC oversees matters relating to the nomination of new Directors, annually reviews the required mix of skills, experience, assessment of independent directors and senior management, reviews succession plans and, diversity (including gender 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.

There are many ways in which board evaluations can be carried out such as through self-assessment, peer review or facilitated by the Company Secretary. Given that every board is different and their needs, roles, priorities and capacities vary depending on the company's size and stage in its life cycle, a box-ticking approach to evaluation is ineffective and unacceptable.

The terms of reference of the NC shall be approved by the Board.

**(iv) Remuneration Committee (“RC”)**

The members of the RC shall comprise no fewer than three (3) members consisting of only Non-Executive Directors and a majority of them must be Independent Directors.

The RC is responsible to provide a formal and transparent procedure for developing remuneration policy for Directors and Senior Management and ensuring that compensation is competitive and consistent with the Company's culture, objectives and strategy.

The terms of reference of the Remuneration Committee shall be approved by the Board.

- (5) The Board Committees shall report to the Board on their deliberations, findings and recommendations.

- (6) The Chairmen of the respective Board Committees shall report to the Board on matters dealt with at their respective Board Committees Meetings. Minutes of the respective Board Committees are presented at the Board meetings for further notation. While these Board Committees have the authority to deliberate on matters delegated to them, all decisions and/or recommendations made by these Board Committees will be brought to the attention of the Board, which is collectively responsible for the decisions made.
- (7) Details of the membership, terms of reference and summary of the duties and responsibilities of the respective Board Committees are available on the Company's website.

## **6. BOARD OF DIRECTORS' MEETINGS AND SUPPLY OF INFORMATION**

- (1) The Board shall conduct at least four (4) scheduled meetings in each financial year, with additional meetings convened as and when the Board's approval and guidance are required. A Director may at any time and the secretary shall on the requisition of a director summon a meeting of the directors by giving them not less than five (5) business days' notice thereof unless such requirement is waived by them. In addition to notices sent through post or by hand, notices may also be sent via facsimile, electronic mail or by any other forms of electronic communications in a permanent written form.
- (2) Unless otherwise determined, two (2) Directors, for the time being, shall form a quorum and a meeting of the Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Constitution of the Company for the time being vested in or exercisable by the Directors generally.
- (3) All meetings shall be chaired by the Chairman of the Board or in his / her absence, the Deputy Chairman. In the absence of the Chairman or Deputy Chairman to preside over the Board meeting, the Directors present shall choose one of their number to be Chairman of the meeting.
- (4) Directors will use their best endeavour to attend Board meetings in personally or electronically. Directors who are unable to attend a meeting should advise the Chairman at the earliest date possible and notify/confirm his or her absence to the Chairman or the Company Secretary of the Company.
- (5) Individual Directors shall attend at least 50% of the Board Meetings held in each financial year. The office of a Director shall become vacant if a Director is absent from more than 50% of the total Board Meetings held during a financial year.
- (6) A member of the Board, or a Committees of Directors, may participate in a meeting of the Directors or the committee of Directors using a conference telephone, electronic or any communication facilities which allows all persons participating in the meeting to hear each other. A participant shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly even though he is not physically present at the venue where the meeting is to be held. The meeting shall be deemed to take place where the largest group of those participating is assembled or if there is no such group, where the Chairman of the meeting then is.
- (7) The Company Secretary shall attend all Board and Board Committee meetings. Senior Management is invited to attend Board and Committee Meetings to provide inputs as and when necessary. Auditors, other professional advisors and consultants may also be invited to brief the Board on specific areas as required.
- (8) Any question arising at a Board Meeting is decided by a majority of votes after due discussion and deliberation, and in case of an equality of votes, the Chairman of the meeting has a second and casting vote subject to the Company's Constitution. A Director is required to abstain from deliberations and voting in respect of any contract or proposed contract or arrangement in which he/she has direct or indirect interest. The Chairman and the Board may, if deemed necessary and appropriate, request an interested Director to excuse himself/herself in the deliberation.

- (9) A Director notwithstanding his interest may, provided that none of the other directors present disagree, be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold office or place of profit under the Company or whereat the directors resolve to exercise any of the rights of the Company (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a director to hold any office or place of profit under any other company whereat the terms of such appointment as hereinafter mentioned are considered or where any decision is taken upon any contract or arrangement which he is in any way interested provided always that he has complied with Section 221 and all other relevant provisions of the Companies Act 2016 and its Constitution.
- (10) Board discussions will be open and constructive, recognising that genuinely held differences of opinion could bring greater clarity and lead to better decisions. The Chairman will, nevertheless, seek a consensus in the Board but may, where considered necessary, call for a vote. The proceedings of the Board meeting shall be properly minuted by the Company Secretary and all Board members should ensure that the minutes of meetings accurately reflect the deliberations and decisions of the Board, including whether any Director abstained from voting or deliberating on a particular matter.
- (11) The Chairman should also ensure that Board Committee meetings are not combined with the main Board Meeting.
- (12) A resolution in writing signed or approved by the majority Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted. All such resolutions shall be described as "Directors' Circular Resolution(s)" or "Directors' Resolution(s) in Writing" and may consist of several documents in like form each signed by (1) or more Directors or their alternates. A signed Directors' Resolution In Writing transmitted by facsimile or any other electronic means shall be deemed to be an original.
- (13) All acts done by any meeting of the directors or of a committee of directors or by any person acting as a director shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any such director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director
- (14) The Chairman, in conjunction with the MD or CEO and the Company Secretary(ies), shall undertake the primary responsibility for preparing the Board's agenda. The agenda shall include, amongst other things, 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. The agenda shall address high-priority strategic and operational issues, where necessary, and ensure that there is enough time for discussion. Agenda issues shall be aligned with the overall Company's context, including its starting situation, aspiration and priorities.
- (15) Meeting papers
- (a) To allow sufficient time for Directors to consider the relevant information, Board papers and agenda items are to be circulated at least five (5) business days, or a shorter period where unavoidable, before the meeting. Where there is a need to table a report, a brief statement of findings and/or recommendations is prepared.
- (b) Minutes are prepared following a Board meeting and are circulated in draft form for the Board to ensure that the minutes accurately reflect the deliberations and decisions of the Board, including whether any Director abstained from voting or deliberating on a particular matter. The draft minutes will be re-circulated with the Board papers in readiness for signing at the following meeting. The practice is for minutes to record processes and decisions rather than a historical narrative of the discussion or concluding remarks of final decisions made. If one or more Directors request their opinion to be noted, the Company

Secretary shall comply with the request.

#### **6.1 Access to Information/Independent Advice**

- (a) Directors are entitled to request and receive additional information they consider necessary to make informed decisions, including the following:-
  - (i) obtaining full and unrestricted access to any information on the Company;
  - (ii) obtaining full and unrestricted access to the advice and services of the Company Secretary; and
  - (iii) obtaining professional independent advice, with the Chairman's prior written consent, at the Company's expense. The Director should provide notice to the Company Secretary of the intention to seek independent advice and shall provide the name(s) of the professional advisors proposed to be engaged, together with a brief summary of the subject matter on which professional advice is being sought. If one or more Directors seek to appoint one or more advisors on the same or similar matter(s), the Chairman shall initiate discussions to reach a consensus on the advisor to be engaged.
- (b) A record of submissions, papers and material presented to the Board is maintained and kept by the Company Secretary, together with minutes of meetings, and is accessible to Directors during office hours. All Directors (Executive and Non-Executive) have the same right of access to information relevant to the furtherance of their duties and responsibilities as Directors of the Company, subject to a formal written request to the Board Chairman furnishing satisfactory and explicit justification for such a request. Directors are expected to strictly observe the confidentiality of the Company's information. Directors are refrained from making improper use of information gained through the position of Director for their own interest, or their employees' interest, if applicable.

#### **6.2 Induction Process**

- (a) The objective of the induction process is to provide Directors with a rapid and clear insight into the Group as well as keeping them abreast with development in the market place pertaining to the oversight function of Directors. This will enable the Directors to discharge their duties and responsibilities effectively.
- (b) Induction of Directors may include, but not limited to, the following:
  - (i) time with other Directors, in particular the Chairman, Senior Management and the Company Secretary, if the Independent Director is a functional specialist, his or her counterpart;
  - (ii) furnishing of a copy of the previous board minutes for at least the past six (6) months; the Business/strategic plan, pertinent Management reports; and significant reports by Management consultants on areas of board responsibilities;
  - (iii) visits to key sites (including overseas locations, if the Business is strongly international); and
  - (iv) a formal 1 to 2 days induction programme, including the elements above, where applicable.

### **7. BOARD EVALUATION ASSESSMENT**

- (1) The NC reviews annually the effectiveness of the Board and Board Committees as well as the performance of individual Directors.
- (2) The Company has introduced the Board and Board Committee Annual Evaluation Forms ("AEF") questionnaire for evaluation of the performance of the Board, Board Committees and individual Directors.

- (3) The evaluation takes place annually and involves Directors completing the AEF, covering the Board and Board Committees processes and, the effectiveness and contribution of each of the Directors to the Board and Board Committees.
- (4) The Directors' responses are collated and reviewed by the NC, after which, shall provide a comprehensive summary of the findings and recommendations to the Board for further review and proposed actions.
- (5) The deliberations of the NC on the findings of the AEF are duly minuted at the meetings of the NC and the Board.
- (6) The AEF exercise will include the Directors' feedback on areas that affect the performance of the Board which, amongst others, include the following:-
  - (a) a skills matrix under the Fit and Proper Policy
  - (b) Board mix and composition;
  - (c) Quality of information and decision making
  - (d) Boardroom activities
  - (e) Composition of the Board Committees
  - (f) Contribution and performance of the Board Committees
  - (g) Effective role in managing material sustainability risks and opportunities
  - (h) Forward looking considerations such as mapping current board competencies against those required, to drive the Company's future strategies.
  - (i) Any other criterias as prescribed in the terms of reference of the NC
- (7) The Board shall consider the engagement of suitably qualified and competent experts/ consultants to facilitate objective and candid board evaluations, if necessary.

## **8. COMPANY SECRETARY**

- (1) The Board shall be supported by one or more suitably qualified and competent person(s) as Company Secretary or joint Company Secretaries in line with the requirements of the CA 2016 to discharge their responsibilities. A suitably qualified company secretary possesses the knowledge and experience to carry out his functions, including knowledge in company and securities law, finance, governance and other areas of compliance such as the Listing Requirements as well as to undertake continuous professional development. The appointment and removal of the Company Secretary(ies) is a matter for the Board, as a whole.
- (2) The Company Secretary shall report directly to the Board. The appointment and removal of the Company Secretary are subject to the approval of the Board.
- (3) The office of the Company Secretary shall be vacated if the Company Secretary resigns by notice in writing to the Company left at the Registered Office of the Company. Where a Company Secretary gives notice of resignation to the Directors, the Company Secretary shall cease to act as Company Secretary with immediate effect or on the date specified in such notice (as the case may be).
- (4) The Company Secretary(ies) is expected to provide unimpeded advice and services to the Directors, as and when the need arises, to enhance the effective functioning of the Board and the Board Committees and to expedite regulatory compliance.
- (5) The roles and responsibilities of the Company Secretary shall include but not limited to the following:-
  - (a) manage all Board and Board Committees meetings' logistics, attend and record minutes of all Board and Board Committees meetings and facilitate Board communications;
  - (b) advise the Board on its roles and responsibilities;
  - (c) assist in director training and development;

- (d) advise the Board on corporate disclosures and compliance with the Company's Constitution as well as the CA 2016, Listing Requirements and MCCG;
- (e) manage processes about the general meetings;
- (f) monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations;
- (g) serve as a focal point for stakeholders' communication and engagement on corporate governance issues;
- (h) ensuring that Board procedures and applicable rules are observed;
- (i) timely dissemination of information relevant to Directors' roles and functions and keeping them updated on new or evolving regulatory requirements;
- (j) advising the Board on its roles and responsibilities;
- (k) carry out other functions as deemed appropriate by the Board from time to time; and
- (l) undertake the statutory duties as prescribed under the CA 2016 and the Listing Requirements.

## 9. INVESTOR RELATIONS AND STAKEHOLDERS COMMUNICATION

- (1) The Board shall establish a Corporate Disclosure Policy outlines a communication policy enables both the Board and Management to communicate effectively with the Company's shareholders, stakeholders and the general public.
- (2) The Board looks to management to speak on behalf of the Company and to manage the communication of information to investors, other stakeholders and the public in an orderly and effective manner while adhering, at all times, to relevant laws and regulatory requirements. The Company is encouraged to adopt integrated reporting based on a globally recognised framework, when ready.
- (3) The Board authorises two (2) of its members to be determined by the Board from time to time to be the official spokespersons for the Company.
- (3) The Corporate Disclosure Policy shall provide guidance to the Company to ensure comprehensiveness, accuracy and timeliness in disseminating corporation information, and in dealing with shareholders, stakeholders, analysts, media, regulators and the investing public..
- (4) The Board is to place emphasis in promoting effective communication and proactive engagements with the Company's stakeholders. The Board shall also ensure high standards of transparency and accountability in its communication with stakeholders, as well as with potential investors, analysts and the public. The shareholders shall be informed of all material matters affecting the Company and Group.
- (5) The Company shall consider the use of information technology in communicating with stakeholders, including a dedicated section for Investor Relations on the Company's website. This section shall provide information such as, amongst others, the Company's performance, corporate strategy, Annual Report and other matters affecting stakeholders' interests.
- (6) Several communication channels are used to promote effective communication between the Group and its stakeholders. The Company should deem appropriate in leveraging technology to facilitate: -
  - (i) voting including voting in absentia; and
  - (ii) remote shareholders' participation at general meetings.
- (7) The Board ensure that the conduct of a virtual general meetings support meaningful engagement between the Board, senior management and shareholders. The infrastructure and tools to support the conduct a virtual general meetings must be in place. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself. The Company should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

(8) The Board shall maintain appropriate investor relations and communication policy which encourages shareholders' participation at general meetings and promotes effective communication with shareholders, stakeholders and the public.

(9) Below are the communication channels to be used to promote effective communication between the Group and its stakeholders:-

(a) Annual General Meeting ("AGM")  
The annual general meeting is regarded as an important avenue for engaging and communicating with stakeholders, for which it enables stakeholders of the Group to engage directly with the Group's Directors and Senior Management. At the AGM, all shareholders are invited to raise questions to members of the Board.

(b) Extraordinary General Meeting ("EGM")  
EGM is also another avenue for the Board of Directors of the Company to engage with stakeholders such as shareholders and gain insights on the Company's latest development and business activities. The circular to shareholders together with the notice of the EGM will be issued and circulated to all the shareholders of the Company informed of the Company's strategies, business activities, business and financial performance, including the sustainability of its performance prior to the EGM.

(c) Periodic and Continuous Disclosures  
The Company will provide stakeholders with information that is relevant and timely. The Company's key channel of stakeholder communication includes the Company's annual report, corporate governance report, press release and quarterly group financial results.

The annual report and corporate governance report will provide comprehensive and up-to-date information about the Group.

Periodically press releases is another avenue for the Company to communicate with its stakeholders on the corporate and business developments of the Group. The Company may disseminate its press releases through the financial press, printed and electronic media for wider publicity and media coverage to keep the stakeholders informed of the progress and development of the Group's businesses.

(d) Electronic Communication  
The Company's corporate website ([www.tsa.com.my](http://www.tsa.com.my)) is a platform to provide convenient access to the latest as well as historical information about the Company and the Group. Once relevant information is disclosed to the public and available to investors, it is also published on the corporate website.

The corporate website will dedicate the Investor Relations section and Corporate Governance section that provide relevant investor-related information. The information available on the corporate website includes corporate and financial information, annual reports, press releases and regulatory announcements made to Bursa Securities.

The Company will provide an email address to which all shareholders can send their queries and make any inquiry.

(10) The Board shall adopt the following measures in relation to the effective communication with the shareholders of the Company during the general meeting:-

- (a) Notice of AGM should be given to the shareholders at least 28 days prior to the AGM.
- (b) The notice should provide further explanation for the resolution proposed to enable shareholders to make an informed decision in exercising their voting rights.
- (c) All Directors including the members of the Board Committees should commit to attend all general meetings of the Company to provide an opportunity for the shareholders to



- effectively engage with each Director.
- (d) For appointment or re-election and re-appointment of Directors, ensure that the notice of meeting states a statement on the application for the Fit and Proper Policy for selection of Directors and a details of Directors are standing for appointment or re-appointment or re-election, with a description including matters such as age, relevant experience, list of directorships, date of appointments to the Board, details of participation in Board Committees and whether a particular Director is independent.
- (e) Shareholders should be provided with sufficient opportunity to pose questions during the AGM. Open sessions for questions and answers are made available to shareholders during general meetings and the Chairman of the Board, Board Committees and management should provide a meaningful response to questions addressed to them. Where appropriate and if so required, the Chairman will also undertake to provide written answer to any significant question which cannot be answered immediately.
- (f) Announce the detailed results of the votes cast for and against in each instance.
- (g) Minutes of the general meetings should be circulated to the shareholders no later than 30 business days after the general meeting.

The Chairman shall take responsibility for addressing queries from Shareholders, stakeholders and analysts. In the performance of this responsibility, the Chairman shall be mindful of the regulatory requirements pertaining to price sensitive information.

#### (11) Investor Relations

The Company maintains a corporate website where investors and stakeholder can gain access to information about the Group.

Besides that, the Company ensures that announcements are duly made to Bursa Securities in accordance with the Listing Requirements to keep shareholders and stakeholders informed of issues that need reporting to enable shareholders and stakeholders to make informed decisions on their investment in the Company.

The Company recognises the importance of providing timely and accurate information to its shareholders. Therefore, the Group targets to announce its results ahead of the deadline set by Bursa Securities. The quarterly results for the four quarters closing were all made within the deadline set by Bursa Securities.

### 10. CODE OF ETHICS AND CONDUCT FOR DIRECTORS AND EMPLOYEES

The Company has in place the Code of Ethics and Conduct ("**the Code**") which is formulated to enhance corporate governance and the standards of professional and ethical practices of Directors and employees of the Group.

The Code sets out the values, expectations and standards of business ethics and conduct to guide the Board and the Director, the management and employees of the Group. This Code is adopted to ensure that the highest level of integrity and ethical conduct of the Board, management and employees (including full time, probationary, contract, part-time and temporary staff) of the Group are maintained and to establish an ethical corporate environment.

The Code is not intended to be all-encompassing nor exhaustive, and there may be other obligations or expectations of Directors and employees when performing their duties. Although this Code is not meant to address every issue, it defines the spirit in which the Group intends to do business and should guide the Directors and/or the employees of the Group in their daily conduct .

All Directors, the Management and employees of the Group must endeavour to observe the Code which provides guidance as to the ethical conduct to be complied to uphold the principles of honesty and integrity, to ensure a high standard of ethical and professional conduct is upheld in the performance of their duties and responsibilities.

A copy of the Code is available on the Company's website.

**11. WHISTLE-BLOWING**

The Whistle-Blowing Policy and Procedures provide an avenue for any Director, officer, employee and members of the public to report instances of unethical, unlawful or undesirable conduct on a confidential basis without fear of intimidation or reprisal. Nothing in this policy shall interfere with other established operational policies and processes. All disclosures pursuant to this policy are to be made to the Audit and Risk Management Committee's Chairman. The Board shall be apprised of disclosure matters which are serious in nature or of grave repercussions.

The Whistle-blowing Policy and Procedures are available on the Company's website.

**12. REVIEW OF BOARD CHARTER**

The Board will review this Board Charter from time to time and make any necessary amendments to ensure the Board remains consistent with the Board's objectives, current laws/ regulations and good governance, more important, aligning with the Company's business strategy.

The Board Charter is made available for reference on the Company's website.

**END**