



## BOARD CHARTER

### 1 INTRODUCTION

- 1.1 The Board of Directors (“**the Board**”) of TMK CHEMICAL SDN BHD (“**TMK**” or “**the Company**”) is responsible to ensure that the highest standards of corporate governance practices throughout the Company and its subsidiaries (collectively, “**the Group**”) in accordance with the principles set out in the Malaysian Code of Corporate Governance issued on 28 April 2021 (“**MCCG**”) are practiced in all of the Group’s business dealings with its shareholders and relevant stakeholders.
- 1.2 This Board Charter spells out the roles, functions, composition, operation and processes of the Board to ensure that all Board members are aware of their duties and responsibilities as Board members. It further highlights the principles and practices of good Corporate Governance that must be applied in all their dealings with and on behalf of, the Company.
- 1.3 This Board Charter, together with the Company’s Constitution serve/act as a source of reference for matters relating to the Board’s organisation and provides guidance to the Board members in discharging their roles and responsibilities effectively. It is not intended to replace nor serve as a substitute to the laws or other regulatory requirements of Malaysia. The Board Charter is thus guided by and further subject to the Listing Requirements of Bursa Malaysia Securities Berhad (“**LR**”) and other prevailing laws/regulatory requirements and guidelines including the conduct of the Board as stipulated in the Constitution. To the extent of any conflict between the terms of this Board Charter and the Constitution, the Constitution shall prevail.

### 2 DUTIES AND RESPONSIBILITIES OF THE BOARD

- 2.1 The Board shall assume ultimate accountability and responsibility for the stewardship of TMK’s business and affairs on behalf of TMK’s shareholders (“**Shareholders**”) with a view to promote the legitimate interest of the Company with a view of enhancing long-term shareholders value as well as safeguarding the stakeholders’ interest including securing sustainable long-term financial result, with proper social and environmental considerations and maintaining high standards of transparency, accountability and integrity. Hence, the Board should collectively have sound and sufficient knowledge as well as expertise to enable effective governance and oversight.
- 2.2 Each director of the Company (“**Director**”) shall at all times exercise his/her powers for a proper purpose and in good faith in the best interest of the Company and shall act honestly and use reasonable care, skill and diligence in discharging his/her duties 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/herself or for any person or to cause detriment to the Company.
- 2.3 The principal responsibilities of the Board are:
- (a) Together with senior management of the Company (“**Management**”), promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behavior;
  - (b) Reviewing, challenging and deciding on Management’s proposal for the Company, and monitor its implementation by Management;

- (c) Ensuring the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- (d) Supervising and assessing Management performance to determine whether the business is being properly managed;
- (e) Identifying principal risks and ensuring the implementation of appropriate internal controls, risk management and mitigation measures;
- (f) Ensuring proper succession planning taking into consideration the necessary skills and experience, training, fixing the compensation of and where appropriate, replacing Board members and key senior management to ensure the Company has effective Board committees and key senior management as required by the applicable laws and regulations;
- (g) Overseeing the development and implementation of a stakeholder communications policy for the Group;
- (h) Reviewing the adequacy and the integrity of the management information and internal control systems of the Group including systems / reporting framework for compliance with applicable laws, regulations, rules, directives and guidelines;
- (i) Ensuring compliance with the ethical standards as set out in the Company's Code of Conduct and Ethics and the effectiveness of the Company's whistle-blowing policy; and
- (j) Ensuring that the Company has appropriate corporate disclosure policies and procedures to ensure comprehensive, accurate and timely disclosures;
- (k) monitoring and reviewing policies and procedures relating to occupational health and safety and compliance with relevant laws and regulations; and
- (l) ensure the integrity of the Company's financial and non-financial reporting.

In overseeing the conduct of the Group's business, the Board shall ensure that an appropriate financial planning, operating and reporting framework as well as an embedded risk management framework is established. Elements under this combined framework include the strategic business plan, the budget, financial statements, divisional strategic/performance review reports and risk management reports.

A Director shall at all times avoid conflict of interest, and shall as soon as practicable after the relevant facts have come to his knowledge, declare the nature of his interest 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 as may be necessary or expedient to enable the Company and its officers to comply with the requirements of the Companies Act 2016.

- 2.4 In addition to matters required by laws, the following duties are reserved for the Board and may be varied from time to time as determined by the Board:

Financial

- a) Limits of authority;

- b) Approval of contents of annual reports, quarterly financial statements, and annual audited financial statements and release of the requisite financial announcements;
- c) Approval of the Company's dividend policy, and any declaration and payment of dividends and making of any other distribution;
- d) Approval of the Group's annual budget and revision thereof, Directors' Report and Statutory Accounts;
- e) Approval of the Company's long term financial plan and the annual capital expenditure programme;
- f) Approval of any significant change in accounting policies and practices;
- g) Approval of financing facilities and banking arrangements including changes to authorise signatories and approval limit;
- h) Review the effectiveness of the Group's system of internal controls. This function is delegated to the ARC which will in turn report to the Board on its findings;
- i) Approval of change in capital structure of the Company with regards to issuance or allotment of shares or other securities and status as listed issuer;

#### Conduct of the Board

- a) Appointment, re-appointment, retirement, or removal of Directors and recommendation for their re-election pursuant to the Constitution;
- b) Appointment, retirement, or removal of the Company Secretary;
- c) Recommend to Shareholders the appointment, re-appointment, or removal of external auditors.
- d) Review and approve the establishment/changes of Board Committees, their terms of reference and amendments thereto, and where appropriate endorse their decisions;
- e) Appointment of Executive Director(s) of the Company and their duties and the continuation or discontinuation of their service;
- f) Review, before attending meetings of the Board or Committees, all materials provided by the Company relating to matters to be considered at meetings;
- g) Approval of circulars, resolutions, and corresponding documents circulated to the Shareholders;

#### Remuneration and Succession Planning

- a) Recommendation of the Directors' fee/remuneration arrangements for Non-Executive Directors;
- b) Remuneration structure, policy and packages for Executive Directors;
- c) Succession planning for the Board of Directors, and Executive Directors;

Strategic and Operational

- a) Business strategic plan, performance targets, annual budget (Including capital expenditure budget);
- b) Investments, mergers and acquisitions and corporate exercises;
- c) Material acquisitions and disposition of assets not in the ordinary course of business including significant capital expenditures;
- d) Implementation of key policies, corporate governance policies and practices;
- e) Establishment of sustainability and risk management policies;
- f) Conflict of interest issues relating to a substantial shareholder or a Director including approving related party transactions;
- g) Treasury policies and bank mandate

Other Matters

- a) The granting of powers of attorney by the Company;
- b) The entering into any indemnities or guarantees;
- c) Recommendation for alteration of the Constitution;
- d) Recommendation for purchase of own shares by the Company;
- e) Issue of any debt instruments;
- f) Scheme of reconstruction or restructuring;
- g) Any other matters requiring the convening of a general meeting of Shareholders or any class of Shareholders; and
- h) Any other matters as may be required by the laws or the governing authorities

### **3 BOARD STRUCTURE**

#### **3.1 Board Composition and Mix**

3.1.1 The Board shall comprise not less than two (2) nor more than nine (9) Directors. For the avoidance of doubt, an alternate director shall not be counted in the determination of minimum or maximum number of directors on the Board.

3.1.2 The Company must ensure that at least half (1/2) of the Board comprise independent directors. In the event the Company is a Large Company<sup>1</sup>, the Board shall comprise a majority of independent directors.

---

<sup>1</sup> A Large Company is:

(1) a company on the FTSE Bursa Malaysia Top 100 index; or  
(2) a company with market capitalisation of RM2billion and above;

- 3.1.3 In the event of any vacancy in the Board, resulting in non-compliance with Paragraph 3.1.2 above, the Company must fill the vacancy within three (3) months.
- 3.1.4 Each Board member must not hold directorships in more than five (5) listed issuers. Prior to accepting any new appointment, Directors shall notify the Chairman in writing and this shall include an indication of time that will be spent on the new appointment.
- 3.1.5 The Board adopts a policy that at least 30% of its composition are women Directors. The Board through the Nomination & Remuneration Committee shall determine the appropriate size and composition of the Board and the Board Committees, which include right mix of skills, independence and competencies, comprising different expertise, experience and functional knowledge of its members on a periodic basis, to ensure an appropriate balance of skills, experience, age, cultural background, diversity and gender.
- 3.1.6 The Board will also ensure that its gender diversity policy for board and senior Management is disclosed in the Company's annual report.

### **3.2 Role of Chairman**

- 3.2.1 The Board shall appoint from amongst its members a Chairman who represents the Board to carry out a leadership role in the conduct of the Board and its relationship with Shareholders and other stakeholders. The Chairman is primarily responsible for:
  - (a) Instilling good corporate governance practices, leadership and effectiveness of the Board;
  - (b) Leading the Board in its collective oversight of Management;
  - (c) Acting as a chief spokesperson and representative of the Board and ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole;
  - (d) The Chairman, through the Company Secretary, shall set the Board meeting agenda and ensure adequate time is allocated for discussion of issues tabled to the Board for deliberation as well as ensuring that Board Committee meetings are conducted separately from Board meetings;
  - (e) Leading Board meetings and ensuring that all Directors are enabled and encouraged to participate at Board meetings as well as allowing dissenting view to be freely expressed. This includes ensuring that all relevant issues are on the agenda and that all Directors receive timely and relevant information tailored to their needs and that they are properly briefed on issues arising at Board meetings;
  - (f) Promoting consultative and respectful relations between Board members and between the Board and Management.
  - (g) Guiding and mediating Board actions with respect to organizational priorities and governance concerns.

---

at the start of the company's financial year.

- (h) Performing other responsibilities assigned by the Board from time to time.
- (i) Ensuring that Executive Directors look beyond their executive functions and accept their full share of responsibilities on governance.

3.2.2 The position of Chairman shall be held by a Director who is not the Group Managing Director nor any member of the Board Committees.

3.2.3 The Chairman may delegate specific duties to the Executive Directors, other Board members and / or Committees as appropriate.

3.2.4 The Chairman of the Board shall also act as chairman at all Board meetings and general meetings. In the absence of the Chairman in any meeting, the person chairing the Board meeting and general meetings shall be determined in accordance with the provisions set out in the Company's Constitution.

### **3.3 Role of the Group Managing Director ("Group MD")**

The Group MD reports to the Board and essentially his/her job focus is on the business and day-to-day management of the Company.

The Group MD shall be appointed by the Board and is responsible for implementing the policies and strategies approved by the Board for the purposes of running the business and the day-to-day management of the Group. The Group MD is supported by the Management and other committees which are tasked to oversee key operating areas.

The Group MD is responsible to the Board for, among other things:

- a) Executive management of the Group's business covering, inter alia, the development of a strategic plan; an annual operating plan and budget; performance benchmarks to gauge management performance and the analysis of management reports;
- b) Developing and managing all aspects of the business and operations of the Group, ensuring that it is run efficiently and effectively and in accordance with the strategic decisions of the Board following consideration of his ideas, vision and suggestions;
- c) Developing long-term strategic and short-term profit plans, designed to ensure that the Company's requirements for growth, profitability and return on capital are achieved;
- d) Directing and controlling all aspects of the business operations in a cost-effective manner;
- e) Effectively represents the interest of the Company with major clients, government and their agencies, and industries at large, ensure general goodwill towards the Company and cooperation in planned development;
- f) Assures the Company that its corporate identity, products and services are of high standards and are reflective of market environment;
- g) Provides assistance to the Board in discharging its duties;
- h) Ensures compliance with governmental procedures and regulations;
- i) assures the Group's corporate identity, products and services are of high standards and are reflective of the market environment;

- j) ensures that the Group’s financial reports present a true and fair view of the Group’s financial condition and operational results and are in accordance with the relevant accounting standards;
- k) effectively oversee the human resources of the Group with respect to key positions in the Group’s hierarchy; and
- l) Promoting a high degree of corporate governance and ethics across the Group.

### **3.3A Separation of functions between the Chairman and the Group MD**

The position of the Chairman and the Group MD shall be held by different individuals. The roles of the Chairman and Group MD are distinct and separate. The distinct roles of the Chairman and the Group MD, with a clear line of responsibilities is to ensure that there is a balance of power and authority, such that no one individual has unfettered powers of decision-making and no one individual can influence the Board’s discussions and decision-making.

### **3.4 Role of the Independent Directors**

3.4.1 An Independent Director means a Non-Executive Director who is independent of Management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company. The criteria for independence of Independent Director is defined in the LR.

3.4.2 The Independent Directors help to ensure that the interests of all Shareholders, and not only the interests of a particular fraction or group, are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board. They should provide the relevant checks and balances and ensuring that high standards of corporate governance are applied whilst taking into consideration the interests of the Shareholders and other stakeholders

### **3.5 Tenure of Directors**

3.5.1 Pursuant to the Company’s Constitution, all Directors must retire once at least every three (3) years but shall be eligible for re-election. Individuals standing for election should be transparent and make the necessary declaration to the Board and the Shareholders on any existing or potential conflict of interest including whether they have a business, family or other special relationship within or outside the Company that could affect the execution of their role as Directors on the Board.

3.5.2 Pursuant to the MCCG, the tenure of an independent director should not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the Board as a non-independent director. If the Board intends to retain an independent director beyond nine (9) years, the Board shall justify and seek annual Shareholders’ approval through a two-tier (2-tier) voting process in the following manner:

Tier 1	Large Shareholder(s) of the company
Tier 2	Shareholders other than Large Shareholders

Large Shareholder is defined as a person who:

- is entitled to exercise, or control the exercise of, not less than 33% of the voting shares in the Company;
- is the largest shareholder of voting shares in the Company;
- has the power to appoint or cause to be appointed a majority of the Directors of the Company; or
- has the power to make or cause to be made, decisions in respect of the business or administration of the Company, and to give effect to such decisions or cause them to be given effect to.

The decision for the above resolution is determined based on the vote of Tier 1 and a simple majority of Tier 2. If there is more than one Large Shareholder, a simple majority of votes determine the outcome of the Tier 1 vote:

The resolution is successful when	Both Tier 1 and Tier 2 votes support the resolution
The resolution is defeated when	Vote between the two (2) tiers differs; or Tier 1 voter(s) abstained from voting

3.5.3 The tenure of the Executive Directors is tied to their executive office.

### 3.6 Company Secretary

3.6.1 The appointment and removal of the Company Secretary is a matter for the Board as a whole. The Board recognises the fact that the Company Secretary should be suitably qualified and capable of carrying out the duties required of the post including knowledge in company and securities law, governance, sustainability and other areas of compliance such as the LR. The Board shall appoint a qualified and competent Company Secretary who plays an important advisory and referral role. The Board ensures the Company Secretary fulfils the functions for which he/she is appointed.

3.6.2 The Company Secretary is the central source of information and advice to the Board and Board Committees on issues relating to compliance with laws, rules and regulations, corporate governance, and procedures affecting the Company.

3.6.3 The roles and responsibilities of the Company Secretary include, among others, the following:

- a) Prepare agendas and coordinating the preparation of the Board and its Committees' papers;
- b) Attend and record the deliberations and decisions of Board and Board Committee meetings and facilitate communications between members of the Board. This includes managing all logistic requirements for those meetings;
- c) Provide sound advice to the Board on its roles and responsibilities, on corporate governance best practices, corporate disclosures and compliance with company and securities regulations and the LR, and assist the Board and Board Committees in applying the same to carry out the functions effectively in order to meet the Board's needs and stakeholder expectations;



- d) Ensure relevant procedures relating to appointments of new Directors are properly executed;
- e) Ensure the proper convening and conduct of proceedings including in attendance at all general meetings as well as manage processes pertaining to annual shareholder meetings;
- f) Serve as a focal point for stakeholders' communication and engagement on matters relating to corporate governance; and
- g) Facilitate the orientation of new directors and assist in directors' training and development.

3.6.4 All members of the Board have full and unrestricted access to the advice and services of the Company Secretary.

### **3.7 Board Committees**

3.7.1 The Board has the right to establish Board Committees from time to time, in the discharge of its duties and responsibilities. The existence of the Board Committees do not diminish the Board's responsibilities for the affairs of the Group where the delegation of power shall be subjected to the approved terms of references and are in accordance with this Board Charter. Where a Board Committee is formed, specific terms of reference of the Board Committee shall be established in writing to cover matters such as the objective, composition, functions, roles and responsibilities of the Board Committee, including whether the Board Committee has the power to decide or to make recommendation to the Board on specific matters.

3.7.2 While the Board may appropriately delegate its authority to Board Committees or the Management, it should not abdicate its responsibility and should at all times exercise collective oversight of the Board Committees and Management.

3.7.3 The following standing committees with written terms of reference has been established namely the following:

#### **a. Audit & Risk Committee (ARC)**

The ARC examines the Group's matters pertaining to the financial reporting, risk management and internal control and external audit processes, related party transactions and conflict of interest situation, and to submit to the Board's consideration. The terms of reference of the ARC is attached under **Appendix I**.

#### **b. Nomination & Remuneration Committee (NRC)**

The NRC oversees matters relating to the nomination of new directors, annual review of the required mix of skills, experience 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. It should also develop, maintain and review the criteria to be used in the recruitment process and annual assessment of directors.

The NRC is also primarily responsible to recommend to the Board the remuneration of Directors (Executive and Non-Executive) and senior management in all its forms, drawing from outside advice if necessary. It should also assist to formulate formal and transparent remuneration policies to attract and retain directors and senior management.

The terms of reference of the NRC is attached under **Appendix II**.

### **3.8 Board's relationship with Shareholders**

- 3.8.1 The Board will maintain an effective communications policy that enables both the Board and Management to communicate effectively with its Shareholders, stakeholders and the public generally. The objective is to strengthen relationship between the Company and its stakeholders.
- 3.8.2 It is the role of the Board to ensure that the general meetings of the Company are conducted in an efficient manner and serve as a crucial mechanism in shareholder communications. This includes the supply of comprehensive and timely information to the Shareholders and the encouragement of active participation at the meetings.
- 3.8.3 The Board will focus its efforts to abide by the following best practices to enhance the effectiveness of the general meetings:
- (a) Notice for the annual general meeting shall be given to the Shareholders at least 28 days prior to the meeting;
  - (b) all Directors to attend general meetings of the Company with the chairman of ARC and NRC to provide meaningful responses to queries addressed to them;
  - (c) ensure that each item of special business included in the notice to be accompanied by a full explanation of the effects of the proposed resolution;
  - (d) for re-election of Directors, ensure that the notice of meeting state which Directors are standing for election or re-election with a brief description to include matters such as age, gender, relevant experience, list of directorships in other companies, date of appointment to the Board, details of participation in Board Committee, the fact that a particular Director is independent and details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the Company as a whole. Additionally, the Board should ensure that the Shareholders have in the notes accompanying the notice of the general meeting the necessary information for the Shareholders to make an informed decision on the appointment or reappointment of the Directors and also to include the Board's statement justifying whether it supports the appointment or re-appointment or re-election of the candidate;
  - (e) ensure that the Chairman notifies the Shareholders of their rights at the onset of the general meeting;

- (f) take proactive measure, whenever possible, to leverage on technology to facilitate electronic voting and remote Shareholders' participation to ensure greater and more effective Shareholders' participation;
- (g) ensure, whenever virtual general meetings are held, that the conduct of such meetings support meaningful engagement amongst Directors, key senior Management and Shareholders by engaging in real-time interaction particularly on queries or remarks posed;
- (h) ensure that there is a channel for communication through key senior management for feedback and queries from the Shareholders;
- (i) ensure that the Chairman provides reasonable time for discussion at the meeting and the Shareholders are provided with sufficient opportunity to pose questions during the general meeting and the questions receive a meaningful response. Where appropriate and if required, the Chairman will also undertake to include answer to any significant question which cannot be answered immediately and include the same in the minutes of the said general meeting; and
- (j) Minutes of the general meetings will be published on corporate website within thirty (30) business days from the date of meetings.

### **3.9 Retirement, Re-election and Appointment of Directors**

- 3.9.1 Based on the recommendation of the NRC, the Board shall have power at any time, to appoint any person to be a Director of the Company, either to fill a casual vacancy or as an addition to the existing Board although the total number of Directors shall not at any time exceed the maximum number fixed in the Constitution of the Company.
- 3.9.2 For the recruitment or appointment of new Directors, the NRC shall ensure the review criteria are met before making recommendations to the Board. These include the review of skills, experience and strength in the qualities necessary for the discharge of responsibilities in an effective and competent manner as well as the Director's compliance with the qualifications listed in Para 15.05 of the LR. Apart from these, to ensure that Directors have sufficient time to fulfil their roles and responsibilities effectively, the NRC shall consider the number of directorships held in other public listed companies when determining candidates for recommendation to the Board.
- 3.9.3 The criteria for the recruitment or appointment (including re-election/re-appointment) of Director is guided by fit and proper assessment by the NRC based on the Terms of Reference of the NRC and the Fit and Proper Policy.
- 3.9.4 In accordance with the Company's Constitution, an election of Directors shall take place each year at the annual general meeting of the Company where 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 PROVIDED ALWAYS that all Directors including Group Managing Director and Executive Directors shall retire from office once at least in each three (3) years as required by the LR but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

3.9.5 The NRC shall review the composition of the Board annually and make recommendations to the Board when considered necessary to ensure the Board comprises an appropriate mix of skills and experience. Proposals for the re-appointment of Directors shall be recommended by the NRC to the Board for decision prior to the Shareholders' approval at the annual general meeting.

3.9.6 No person shall be appointed, re-appointed, elected or re-elected as a Director on the Board or continue to serve as a Director if the person is or becomes an active politician. A person is considered an "active politician" if he is a Member of Parliament, State Assemblyman or holds a position at the Supreme Council or division level in a political party.

3.9.7 The Board shall utilise independent sources (including but not limited to the directors' registry maintained by various bodies, open advertisements or utilise the service of independent search firms) to identify suitably qualified candidates to fill board vacancy.

## **4 BOARD PROCESSES**

### **4.1 Board Meetings**

4.1.1 Meetings shall be conducted at least on a quarterly basis. The Company Secretary shall prepare and distribute a timetable in consultation with the Chairman for all required to attend the meetings. Any director may request for a meeting after consultation with the Chairman.

4.1.2 In addition to the Directors, other executives 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.

4.1.3 Board meetings should be conducted separately from Board Committee meetings.

### **4.2 Agenda**

4.2.3 The notice for a Board meeting shall be given in writing at least seven (7) days before the meeting, or such shorter notice as agreed by all Directors, specifying the date, time and place of the meeting and the business to be transacted.

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.

### **4.3 Meeting papers**

4.3.1 To allow sufficient time for Directors to consider the relevant agenda items, Board papers and relevant information on the agenda items shall be circulated at least five (5) business days prior to the meeting, or a shorter period due to extenuating circumstances, prior to the meeting to enable Directors time to review the materials, and where necessary, conduct independent analyses or request additional materials. When the subject matter is too sensitive to put on paper, the presentation will be made at the meeting.

4.3.2 The minutes of Board meetings shall record the proceedings of the meeting, the tabling of pertinent issues, the substance of inquiry and response, relevant suggestions and decisions made, including whether any Director abstained from voting or deliberating on a particular matter, as well as the rationale behind those decisions. Minutes of meeting should be circulated to all members of the Board in a timely manner in any event within one (1) month following a Board meeting. The minutes shall be re-circulated together with the Board papers at the following Board meeting in readiness for confirmation. The practice is for minutes to record processes and decisions rather than a historical narrative of the discussion. If one or more Directors request their opinion to be noted, the Company Secretary shall comply with the request.

#### **4.4 Access to information**

4.4.1 A record of submissions, papers and materials presented to the Board, is maintained and held by the Company Secretary together with minutes of meetings, and is accessible to the Directors.

4.4.2 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 Chairman furnishing satisfactory and explicit justification for such a request.

#### **4.5 Independent professional advice**

4.5.1 The Board, as a whole, as well as any Director is entitled to obtain independent professional advice relating to the affairs of the Company or to his or her responsibilities as a Director.

4.5.2 If a Director considers such advice necessary for the discharge of 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.

4.5.3 Subject to the prior approval of the Chairman, the cost of the advice shall be reimbursed by the Company but the Director concerned shall ensure, so far as is practicable, that the cost is reasonable.

#### **4.6 Induction process**

4.6.1 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 marketplace pertaining to the oversight function of Directors. This will enable the Directors to discharge their duties and responsibilities effectively.

4.6.2 Induction of Directors may include, but not limited to, the following:

- furnishing of a copy of the previous board minutes for at least the past six (6) months; the business/strategic plan, pertinent Management reports; profile of key competitors and significant reports by management consultants on areas of board responsibilities;
- TMK Group's Code of Conduct and Ethics;
- TMK Group's Anti-Bribery and Anti-Corruption Policy;

- visits to company's operations sites; and
- time with other Directors in particular the Chairman, the Company Secretary and, if the independent director is a functional specialist, his or her counterpart.

#### **4.7 Directors' training**

- 4.7.1 Directors are required to undergo the Mandatory Accreditation Programme (within 4 months from the date of appointment) under the auspices of Bursa Malaysia Securities Berhad. In addition, Directors are required to attend relevant training courses or seminars at periodic intervals to keep themselves updated on developments pertaining to the oversight function of Directors as well as technical matters, for example, financial reporting standards, tax, budgets, etc. The NRC shall decide on the continuous education programme for Directors.
- 4.7.2 Trainings attended by Directors shall be disclosed in the Company's annual report with a brief description thereof. Valid justifications for non-attendance at any training by Directors for the financial year shall also be disclosed.
- 4.7.3 In respect of sustainability, the Directors should keep updated on issues (including climate related risks and opportunities) relevant to the Group.

#### **4.8 Directors' external commitments and conflict of interest**

- 4.8.1 The Company's Constitution stipulates that a Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare his interest in accordance with the provisions of the Companies Act 2016. In connection with the disclosure, every Director shall state the fact and the nature, character and extent of any office or possession of any property whereby whether directly or indirectly duties or interests might be created in conflict with his duty or interest as a Director of the Company.
- 4.8.2 The Director concerned shall not participate in deliberations and shall abstain himself from casting his votes in any matter arising thereof unless otherwise as provided for in the Constitution of the Company.
- 4.8.3 Should there be an actual, potential or perceived conflict of interest between the Company and a director, or an associate of a director such as a spouse, other family members, or a related company, the director involved shall make full disclosure and act honestly and ethically in the best interest of the Company.
- 4.8.4 An actual, potential or perceived conflict of interest shall not necessarily disqualify an individual Director from the Board provided that full disclosure of the interest has been made in good faith and with due honesty.
- 4.8.5 A Director who is also a shareholder and controlling shareholders with a nominee or connected Director on the Board shall abstain from voting on the resolution to approve Directors' fees at the general meeting.

### **5 GENERAL MEETINGS**

- 5.1 All directors shall attend general meetings to provide an opportunity for Shareholders to effectively engage each director.

- 5.2 Notice for an annual general meeting should be given to the Shareholders at least 28 days prior to the meeting which is well in advance of the 21 days requirements stipulated in the Companies Act 2016 and LR.
- 5.3 The conduct of general meetings shall be held in accordance with the provisions set out in the Company's Constitution.

## **6 WHISTLEBLOWING POLICY**

- 6.1 The Board shall establish, review and together with Management implement appropriate policies and procedures on whistleblowing which provide Directors, officers, employees and stakeholders of the Group with an avenue to report suspected improprieties such as illegal or unlawful conduct, contravention of the Group's policies and procedures, acts endangering the health or safety of any individual, public, employee or environment, any act of concealment of improprieties, breach of legal obligation (including negligence, criminal activity, breach of contract and breach of law). The aim of this policy is to encourage the reporting of such matters in good faith, with the confidence that the person filing the report, to the extent possible, be protected from reprisal, victimisation, harassment or subsequent discrimination.
- 6.2 The oversight of the whistleblowing function is under the purview of the ARC Chairman who shall ensure that all reported violations are properly investigated. The ARC Chairman is also responsible for reviewing the effectiveness of the actions taken in response to all concerns raised.

## **7 ANTI-BRIBERY AND ANTI-CORRUPTION POLICY**

- 7.1 The Board shall review and approve the Anti-Bribery and Corruption Policy ("**ABAC Policy**") and to ensure a sustainable anti-corruption and anti-bribery programme be implemented in the Company and its subsidiaries to address and manage bribery and corruption risks, promote a culture of integrity within the organisation and compliance with laws and regulatory requirements, which includes compliance with the ABAC Policy and assign adequate resources to implement the said programme. Any prohibited act or possible violations of the ABAC Policy shall be reported to the Compliance Officer who will perform initial investigation. Where the matter is deemed potentially serious, it will be promptly reported to the Group MD and/or chairman of the ARC.
- 7.2 The ABAC Policy is made available on the Company's website.

## **8 CODE OF CONDUCT AND ETHICS**

- 8.1 As prescribed by Section 213 of the Companies Act, 2016, the Directors shall at all times act in good faith and in the best interest of the Company. The Board shall formalize and commit to ethical values through the maintenance of a code of conduct and ethics and ensure the implementation and compliance with the same. The Group's code of conduct and ethics shall apply to both Directors and employees and shall govern the standards of ethics and good conduct expected of Directors and employees, respectively. The code of conduct and ethics shall include principles relating to fair dealings, confidentiality and protection of Company matters and documents, conflict of interest, reporting on non-compliance (including sexual harassment) as to compliance with laws and regulations.
- 8.2 The Directors shall be required to observe the code of conduct and ethics which shall include:

- 8.2.1 compliance at all times with the code of conduct and this Board Charter and regulatory requirements expected to be adhered to by the Directors;
- 8.2.2 observation of high standards of corporate governance at all times, in particular but not limited to the practices set out in the LR, the MCCG, the Companies Act 2016 and the Capital Markets and Services Act, 2007;
- 8.2.3 Adherence to the principles of integrity, objectivity, accountability, openness, honesty and leadership;
- 8.2.4 Acting in good faith and always in the best interest of the Group;
- 8.2.5 Ensuring the Company's resources and assets are safeguarded and that the Company conducts its operations economically, efficiently and effectively at all times;
- 8.2.6 Refraining from misusing information gained in the course of duties for personal gain or for any other purpose, nor seek to use the opportunity of the service as Directors to promote their private interests or those of connected persons, firms, businesses or other organisations;
- 8.2.7 Declaration of any personal, professional or business interests that may conflict with Directors' responsibilities and measures put in place to handle actual or potential conflict of interest;
- 8.2.8 Declining positions in Board Committees or working groups where a conflict of interest is likely to arise, without first declaring their interest at the Board meeting;
- 8.2.9 Upholding accountability;
- 8.2.10 Adherence to regulatory requirements pertaining to trading of the Company's shares, including on insider trading;
- 8.2.11 Not accepting gifts/benefits and hospitality which may create suspicion of any conflict between their position as a member of the Board and any private interest;
- 8.2.12 Refraining from activities or behaviour that could give rise to the perception or suspicion of any corrupt or illegal acts or any attempt thereof; and
- 8.2.13 Encouraging the reporting of unlawful and unethical behaviour.

8.3 The Code of Conduct and Ethics is made available on the Company's website.

## **9 Fit AND PROPER POLICY**

9.1 The Board shall establish a Fit and Property Policy for the appointment and re-election of the Company's Directors to ensure that the Directors have the necessary quality, competencies and integrity to discharge their roles effectively.

9.2 The Fit and Proper Policy is made available on the Company's website.

## **10 DEEMING PROVISION**

10.1 The provisions under this Board Charter have been drafted in a manner to incorporate the provisions under the LR, MCCG and other statutes, regulations and guidelines applicable to the Board Charter (if any). In the event the applicable provisions of the LR, MCCG and/or relevant governing statutes, regulations and guidelines relating to the Board Charter are from time to time amended, modified or varied, such amendments, modifications and variations shall be deemed inserted herein whereupon these Board Charter shall be read and construed subject to and in accordance with the amended, modified or varied MMLR, MCCG, statutes, regulations and guidelines.



## **11 REVIEW OF BOARD CHARTER**

11.1 The Board Charter and the terms of reference of each Board Committee established by the Board shall be reviewed periodically and updated in accordance with the needs of the Company and any new regulation that may have an impact on the discharge of the Board's responsibilities.

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

***Adopted on 10.10.2023***