SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD
Registration No. 195801000191 (3327-U)
(Incorporated in Malaysia)

BOARD CHARTER

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1. INTRODUCTION

The Board of Directors ("the Board") of Sungei Bagan Rubber Company (Malaya) Berhad ("Sungei Bagan" or "the Company") is accountable and responsible for the performance and affairs of the Company. All Board members are expected to show good stewardship and act in a professional manner, as well as upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.

Whilst this Board Charter serves as a guiding reference for the activities of the Board and the various committees, it should not be construed as an exhaustive framework governing all aspects of the Board's operations. This Charter is subject to the provisions of the Companies Act 2016 ("CA"), the Capital Markets and Services Act 2007 ("CMSA"), the Main Market Listing Requirements ("MMLR") issued by Bursa Malaysia Securities Berhad ("Bursa"), and other applicable laws and regulatory requirements. The Board is committed to promoting high standards of corporate governance and considers the recommendations of the MCCG in the discharge of its duties. Where a recommendation under the MCCG is not adopted, the Board shall provide appropriate explanations in the Company's corporate governance disclosures.

2. PURPOSE

2.1 This Board Charter sets out the roles, functions, compositions, operation and processes of the Board and is to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members.

2.2 This Board Charter serves as guidance for the Board, providing insights to existing and prospective board members to assist the Board in the performance of their fiduciary duties as Directors of the Company. It will also assist the Board in the assessment of its own performance and of its individual Directors. This Charter is available on the Company's website.

2.3 The Board has primary responsibility for the governance of the Company and fiduciary responsibility for its financial and organisational health.

3. BOARD STRUCTURE

3.1 Size and Composition

The Board should consist of qualified individuals with wide range of expertise, knowledge, experience, with diverse background, age, gender, ethnicity and nationality necessary to govern the Company. The composition and size of the Board is such that it facilitates the decision making of the Company. All Board members are to participate and deliberate on the issues and matters affecting the Company.

According to the Constitution of the Company, until otherwise determined by a general meeting, the number of the Directors shall not be less than two (2) Directors and not more than six (6) Directors. At least two (2) Directors or one-third (1/3) of the Board, whichever is the higher, must be Independent Directors as defined in the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and if the number of Directors of the Company is not three (3) or a multiple of three (3), then the number nearest to one-third shall be used. In the event of any vacancy in the Board resulting in non-compliance with the requirements on Independent Directors, the vacancy must be filled within three (3) months of that event. According to MMLR, the Company must ensure that the Board comprises of at least one (1) woman Director.

The current composition of the Board complies with the MMLR.

The Independent Directors are expected to provide unbiased and independent views, advice and judgement considering the interest, not only of the Company but also of shareholders, employees, customers and communities where the Company conducts business.

An Independent Director shall be a person who is not and has not been within the last three (3) years, an officer (except as an Independent Director) of the said Company. For this purpose, "officer" has the meaning given in Section 2 of the Companies Act 2016.

All Directors shall inform the Board's Chairman before he/she accepts any new directorship and indicate time to be spent. Each Board member must not hold more than five (5) directorships in listed companies.

All Directors shall disclose and declare the nature and extent of any conflict of interest or potential conflict of interest including interest in any competing business that they have with the Company.

The tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. Where the Board considers that an Independent Director should continue to serve beyond nine (9) years, the Board shall seek annual shareholders' approval through a two-tier voting process, failing which the Director shall be re-designated as a Non-Independent Director. In any event, an Independent Director who has served a cumulative term of twelve (12) years must be re-designated as a Non-Independent Director or observe a three (3) year cooling-off period, in accordance with paragraph 3.5 below.

Executive Directors will be engaged under service contracts. The remuneration package of the Executive Directors are reviewed and recommended by the Remuneration Committee annually.

3.2 Nomination and Appointments

The appointment of a new director is a matter for consideration and decision by the Board with the appropriate recommendations from the Nominating Committee. In making these recommendations, the Nominating Committee will consider the required mix of skills, experience, functional knowledge, diversity and size of the Board including the effectiveness of the Board as a whole.

The Nominating Committee adopts a non-discriminatory policy towards identifying, assessing and appointing suitably qualified Directors to its Board. The Nominating Committee does not solely rely on recommendations from existing Board members, Management or major shareholders. The Nominating Committee considers utilising a variety of independent sources to identify suitably qualified candidates, where necessary. The Nominating Committee will regularly evaluate the composition and performance of the Board. This ensures that these objectives are adopted in board recruitment, board performance evaluation and succession planning processes.

The Board, through the Nominating Committee, will conduct an annual self-evaluation on its effectiveness as a whole, each individual Director and the different Committees established by the Board.

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.

The criteria for the recruitment or appointment of Director is guided by fit and proper criteria assessment by the Nominating Committee based on the Terms of Reference of the Nominating Committee. The fit and proper criteria assessment of a Director may also be conducted whenever the Company becomes aware of the information that materially compromises a Director's fitness and propriety.

3.3 Re-election and Re-appointments

In accordance with the Constitution of the Company, at the first Annual General Meeting of the Company ("AGM"), all Directors shall retire from office, and at the AGM in every subsequent year, an election of Directors shall take place and 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 and be eligible for re-election provided always that all Directors shall retire from office once at least every three (3) years but shall be eligible for re-election.

An election of Directors shall take place every year and a retiring Director shall be eligible for re-election. The Directors to retire each year shall be those who have been longest in office since their last election but as between persons who become Directors on the same day those who retire shall (unless they otherwise agree among themselves) be determined by lot.

In recommending the annual re-election or re-appointment, the Nominating Committee shall review and consider the tenure of each director and the Nominating Committee should be satisfied with the evaluation of the director's performance and contribution to the Board. The fit and proper criteria assessment based on the Directors' Fit and Proper Policy must be conducted prior to the recommendation for re-election by the Nominating Committee.

3.4 Directors' Fit and Proper Policy

All members of the Board are required to have the necessary qualities, competencies and experience that allow them to perform their duties and carry out the responsibilities required of the position in the most effective manner.

This Directors' Fit and Proper Policy serves to guide the Nominating Committee and Board in their review and assessment of candidates that are to be appointed onto the Board as well as Directors seeking re-election.

The fit and proper assessment of any person identified to be appointed as a Director or continue holding the position as a Director within the Company shall be conducted prior to the initial appointment or proposed re-election/re-appointment as a Director. The fit and proper assessment may also be conducted whenever the Company becomes aware of information that may materially compromise a Director's fitness and propriety.

The Nominating Committee and the Board, in conducting the above fit and proper assessment, shall be guided by the Directors Fit & Proper Policy.

Firstly, any person to be appointed as a Director or to continue holding the position as a Director within the Company must not be disqualified or deemed to be disqualified or vacated his office.

Any candidate to be appointed or re-elected as a Director of the Company must be assessed to meet the following fit and proper criteria assessment: -

(i) Character and integrity
(ii) Experience and competence
(iii) Time and commitment

3.5 Independent Directors

An Independent Director shall, upon his appointment, give to Bursa Securities a letter of confirmation that he is an Independent Director as defined under Paragraph 1.01 of the MMLR.

An Independent Director shall also provide the Company an annual declaration of his independence.

An Independent Director means a director who is independent of management and free from any business or other relationships which could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company. Without limiting the generality of the foregoing, an independent director is one who: -

(a) Is not and has not been within the last three (3) years, an officer of the Company or any related corporation. For this purpose, "officer" has the meaning given in Section 2 of the Companies Act 2016 but excludes a director who has served as an Independent Director in any one or more of the related corporations for a cumulative period of less than nine (9) years;

(b) Is not a major shareholder of the Company or any of its related corporation;

(c) Is not a family member of any executive director, officer or major shareholder of the Company or any of its related corporation;

(d) Is not acting as a nominee or representative of any executive director or major shareholder of the Company or any of its related corporation;

(e) Has not been engaged as an adviser by the Company or any of its related corporation under such circumstances as prescribed by Bursa Securities or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the Company or its related corporation under such circumstances as prescribed by Bursa Securities;

(f) Has not engaged in any transaction with the Company or any of its related corporation under such circumstances as prescribed by Bursa Securities or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the applicant or listed issuer) which has engaged in any transaction with the Company or any of its related corporation under such circumstances as prescribed by Bursa Securities;

(g) has not served as an independent director in any one or more of the related corporations for a cumulative period of more than nine (9) years from the date of his first appointment as an Independent Director.

The Board assesses the independence of its Independent Directors annually by taking into consideration their background, disclosed interests, family relationships and other criteria set by the Nominating Committee for assessing the independence of Directors.

In accordance with the MCCG, the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years and if continued on the Board as Independent Director, the Board shall seek annual shareholders' approval through a two-tier voting process, or the said director will be re-designated as a Non-Independent Director.

In accordance with the MMLR, an Independent Director who has served a cumulative of 12 years on the Board must be re-designated as Non-Independent Director to continue to serve the Board or observe a 3 years cooling off period before being re-appointed as an Independent Director to the Board.

3.6 Time Commitment and Accepting New Directorship

Directors are expected to have such expertise to qualify them to make positive contribution to the Board performance of its duties and to give sufficient time and attention to the affairs of the Company. Any Director accepting any new directorship or significant commitment in other companies will be required to make known to the Board prior to his/her new appointment and give commitment to the Board that his/her time for attending Board meetings will not be compromised in any manner.

Any Director must not hold more than five (5) directorships in listed companies as prescribed by the MMLR.

3.7 Disqualification or Vacation of Office

The office of a Director shall become vacant if the Director: -

(a) becomes disqualified from being a Director under Sections 198 or 199 of the Companies Act 2016;

(b) ceases to be or is prohibited from being a Director by virtue of the Companies Act 2016 or the Securities Laws or the MMLR;

(c) becomes of unsound mind or a person whose person or estate is liable to be dealt with any way under the Mental Health Act 2001;

(d) dies;

(e) resigns his office by notice in writing to the Company and deposited at the registered office of the Company;

(f) is removed from his office as Director by ordinary resolution of the Company in a meeting of shareholders of which special notice has been given in accordance with Section 206(3) of the Companies Act 2016,

A Director will also vacate office should he/she be absent from more than 50% of the total board of directors meeting held during a financial year. The Board Charter requires each Director to attend as many Board meetings as possible held during the year.

3.8 Board Effectiveness Evaluation

The Board has entrusted the Nominating Committee with the responsibility for carrying out the annual Board effectiveness evaluation.

The Board's evaluation is assessed in the areas of composition, administration, accountability, responsibility, conduct, and the performance of the Chairman and Managing Director, to ascertain whether their functions and duties are effectively discharged in accordance with their respective terms of reference.

The Directors' Self and Peer Assessment is intended to evaluate the mix of skills, experience and relevant qualities the Directors bring to the Board and considers the individual director's ability to exercise independent judgement at all times and to contribute to the effective functioning of the Board.

The Self and Peer Assessment process also examines the ability of each Board or Committee member to give material input at meetings and to demonstrate a high level of professionalism and integrity in the decision-making process.

The performance assessment of the Board and Senior Management includes a review of the performance of the Board and Senior Management in addressing the Company's material sustainability risks and opportunities.

The assessment results from Board effectiveness evaluation will be shared with the Nominating Committee Chairman to form the basis of the Nominating Committee's recommendation to the Board for the re-election and/or re-appointment of Directors as well as for further development of the Board and Board Committees.

4. ROLES AND RESPONSIBILITIES OF THE BOARD

4.1 Duties and Responsibilities of the Directors

The Board is collectively responsible for the stewardship of the business of Company with a view to enhance long term shareholder value and investor interests while considering the interest of other stakeholders and maintaining high standards of transparency, accountability and integrity.

Directors, as stewards of the Company, shall exercise reasonable care and due diligence for a proper purpose and good faith, in the best interests of the Company and shall act honestly in the discharge of the duties of his office and shall not make use of any information acquired by virtue of his position to gain directly or indirectly an improper advantage for himself or for any other person or to cause detriment to the Company. All Directors are required to keep abreast of their responsibilities as directors and of the conduct, business activities and development of the Company.

The Board together with Management takes responsibility for the governance of sustainability in the Company including setting the Company's sustainability strategies, priorities and targets.

The Board takes into account sustainability considerations when exercising its duties including among others the development and implementation of Company strategies, business plans, major plans of action and risk management.

The Board ensures that the Company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.
The Board takes appropriate action to ensure that they stay abreast with and understand the sustainability issues relevant to the Company and its business, including climate-related risks and opportunities.

4.2 Key Responsibilities of the Board

The Board of Directors has the following key responsibilities: -

(a) Promote good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour;

(b) Review, challenge and decide on Management's proposal which includes the overall corporate strategy, business plan, budget and regulatory plan, and monitor the implementation by Management;

(c) Review and approve strategic initiatives including corporate business restructuring or streamlining and strategic alliances, to ensure that they support long-term value

creation and takes into account economic, environment and social considerations underpinning sustainability;

(d) Oversee the conduct of the Company's businesses to evaluate and assess management performance whether the businesses are being properly managed;

(e) Assess and identify the principal risks of the Company's businesses in recognition that business decisions involve the taking of appropriate risks;

(f) Set the risk appetite within which the Board expects Management to operate, and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;

(g) Approve the nomination, selection, succession policies, and remuneration packages for the Board members, Board Committee members, including managing succession planning, appointing, training, fixing the compensation of, and where appropriate replacing senior management or key management personnel;

(h) Approve the appointment, resignation or removal of Company Secretaries of Bursa Malaysia;

(i) Review the adequacy and integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines (including the securities laws, Companies Act 2016 and MMLR);

(j) Review and approve the Financial Statements encompassing annual audited accounts, quarterly reports, and dividend recommendation;

(k) Review and approve the Audit Committee Report, and Risk Management and Internal Control Statement for the Annual Report;

(l) Prepare a Corporate Governance Overview Statement and Corporate Governance Report on compliance with the Malaysian Code on Corporate Governance for the Annual Report;

(m) Approve the appointment of external auditors and their related audit fees;

(n) Review and approve investment policies and guidelines for the Company's surplus funds.

<u>Being responsible for setting the overall strategy of the Company and making decisions on major operational and financial matters, the following matters are specifically reserved for the Board</u>: -

1) Approval of corporate strategies and annual budgets, including major capital commitments;

2) Approval of new ventures, material acquisitions and disposals of undertakings and properties;

3) Appointments to the Board;

4) Approval of Directors' fees, remuneration and benefits payable under the guidance of the Nominating Committee and Remuneration Committee;

5) Approve the appointment, resignation or removal of Company Secretaries;

6) Review and approve the Financial Statements encompassing annual audited financial statements and quarterly reports; and

7) Review and approve financial authority approving limit.

The Directors have individual and independent access to the advice and dedicated support services of Company Secretaries in ensuring the effective functioning of the Board. The Directors may seek advice from the management on issues under their respective purview. The Directors may also interact directly with, or request further explanation, information or updates, on any aspect of the Company's operations or business concerns from the Management.

In addition, the Board may seek independent professional advice at the Company's expense on specific issues to enable the Board to discharge its duties in relation to the matters being deliberated.

A Director shall notify the Chairman of the Board on any proposed appointment to other listed and unlisted companies. In this respect, the Director shall inform the Company Secretaries on such appointment and the effective date thereof, to enable necessary filing with the Companies Commission of Malaysia on the change in the Director's particulars.

With respect to a Director's appointment to any other organization, committee or body (other than the listed and unlisted companies stated in paragraph above), a Director is encouraged to disclose such appointment to the Board on quarterly basis. This information would be relevant for the purpose of managing conflict of interests and to provide an indication of a Director's time and commitment in serving the Board effectively. A Director shall exercise their discretion to determine the need for disclosure of such appointments, accordingly.

4.3 Dealings in Securities

Dealings include any one or more of the following actions, whether undertaken as principal or as agent: -

(i) acquiring or disposing of securities or any interest in securities;
(ii) subscribing for or underwriting securities;
(iii) making or offering to make with any person, or inducing or attempting to induce any person to enter into or to offer to enter into: -

(aa) any agreement for or with a view to acquiring or disposing of securities or any interest in securities;
(bb) any agreement for or with a view to subscribing for or underwriting securities; or

(cc) any agreement the purpose or avowed purpose of which is to secure a profit to any of the parties from the yield of securities or by reference to fluctuations in the values of securities; and

(iv) granting, accepting, acquiring, disposing of, exercising or discharging an option (whether for the call or put or both) or any other right or obligation, present or future, conditional or unconditional, to acquire or dispose of securities or any interest in securities.

A Director must not deal in the securities of the Company as long as he is in possession of price-sensitive information relating to the Company. "*Price-sensitive information*" means information that "on becoming generally available would or would tend to have a material effect on the price or value of securities" as referred to in Section 185 of the CMSA.

4.4 Conflict of Interest and Transaction involving Directors

Conflict arising from the interest (direct or indirect) of a director, member or major shareholder or person connected with such director, member or major shareholder in a transaction proposed to be entered into or action/decision to be taken by the Company or its subsidiaries.

Where a Director has an interest (direct or indirect) in a transaction proposed to be entered into or action/decision to be taken by the Company or its subsidiaries, he/she may be biased in making the commercial or regulatory decision which could be to the detriment of the Company or its subsidiaries.

Directors can be regarded as having a conflict of interest where the company, he or she is associated with derives an advantage from him being a Director. Therefore, a director is required at all times to declare such conflict and if required by the Board, to withdraw from any voting or deliberation of a matter in which the Director or member may have an interest.

The Companies Act 2016 provides that a Director who is in any way, whether directly or indirectly, interested in a contract entered into or proposed to be entered into by the Company shall be counted only to make the quorum at the board meeting but shall not participate in any discussion while the contract or proposed contract is being considered at the board meeting and shall not vote on the contract or proposed contract.

Where a contract or proposed contract is entered into in contravention of Section 221 of the Companies Act 2016, the contract or proposed contract shall be voidable at the instance of the Company except if it is in favour of any person dealing with the Company for a valuable consideration and without any actual notice of the contravention. A director who knowingly contravenes Section 221 of the Co Act shall be guilty of an offence against the Companies Act 2016.

The Audit Committee shall review any conflict of interest or potential conflict of interest situation involving a Director or key senior management, including the measures taken to resolve, eliminate or mitigate such conflict, and the Company shall make the disclosures required under the MMLR in its Annual Report.

5. ROLES AND PRINCIPAL RESPONSIBILITIES OF CHAIRMAN, MANAGING DIRECTOR AND COMPANY SECRETARIES

Chairman and Managing Director

The role of the Chairman and the Managing Director are distinct and separate to ensure there is a balance of power and authority.

The Board ensures that the Chairman is a Non-Executive member of the Board.

The Chairman is responsible for leadership, effectiveness, conduct and governance of the Board, while the Managing Director has overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions.

The position of Chairman and Managing Director are held by two (2) different individuals.

The responsibilities of the Chairman, amongst others, are as follows: -

1) To lead the Board meetings and discussion and ensure its effectiveness of the Board of all aspects of its role;

2) To facilitate the effective contributions of all Directors at Board meetings;

3) To ensure balance of power and authority, such that no one individual has unfettered powers of decision making;

4) To encourage active participation and allow dissenting views to be freely expressed;

5) To lead the Board in establishing and monitoring good corporate governance practices in the Company;

6) To promote constructive and respectful relations between Directors, and between the Board and Management;

7) To ensure appropriate steps are taken to provide effective communication with shareholders and relevant stakeholders and their views are communicated to the Board as a whole; and

8) To lead the Board on its succession planning program for Board level.

The key responsibilities of the Managing Director, among others, are as follows: -

1) To develop and implement corporate strategies, plans and policies for the Company;

2) To supervise divisions and departments who are responsible for all functions contributing to the success of the Company;

3) To ensure the efficiency and effectiveness of the operations for the Company;

4) Day-to-day management of the Company with all powers, discretions and delegations authorised, from time to time, by the Board; and

5) To bring material and other relevant matters to the attention of the Board in an accurate and timely manner.

Company Secretaries

The Board is supported by suitably qualified and competent Company Secretaries to provide sound governance advice, ensure adherence to rules and procedures and advocate adoption of corporate governance best practices. The appointment and removal of the Company Secretaries is a matter for the Board as a whole.

The Company Secretaries play an important role in good governance by helping the Board and its Committees function effectively and in accordance with their terms of reference and best practices.

The primary responsibilities of the Company Secretaries include, but are not limited to the following: -

1) Attend Board, Board Committees and general meetings, and to ensure a proper recording of minutes to document the Board proceedings and ensure conclusion are accurately recorded;

2) Advise and update the Board on matters related to corporate governance and applicable laws and regulations;

3) Ensure the Board procedures and applicable rules are observed;

4) Maintain records of the Board and ensure effective management of the Company's statutory records;

5) Assist Chairman in the preparation and conduct of meetings;

6) Assist the communication between the Board and Management;

7) Prepare agenda and coordinate the preparation of the Board papers; and

8) Provide full access and services to the Board and carry out other functions deemed appropriate by the Board from time to time.

6. ROLES OF INDIVIDUAL DIRECTORS

Directors are expected to comply with the legal, statutory and equitable duties and regulations when discharging their responsibilities as Directors.

The roles of individual Directors broadly include the following: -

(a) act in good faith and in the best interests of the Company as a whole and for proper purpose.

(b) act with care and diligence of reasonable person subject to business judgement rule.

(c) avoid conflicts of interest or potential conflicts of interest with the Company or with another Company in a competing business in a personal or professional capacity.

(d) disclose the appointment to other companies and any other committee or body.

(e) refrain from making improper use of information gained through the position of director and from taking improper advantage of the position of director.

(f) disclose of and abstain from voting on matters of personal interest.

(g) compliance with company and securities laws and listing requirements.

Directors will keep all Board information, discussions, deliberations and decisions that are not publicly known confidential and not use information gained through the Board for their interest, or their employer's interest.

7. ROLES OF INDEPENDENT DIRECTORS

The roles of Independent Directors broadly include the following: -

(a) ensure there is proper check and balance of the Board by providing unbiased and independent views in Board deliberations and decision making of the Board, taking into consideration the interest of all shareholders, not only the interests of a particular function or group, but also the minority shareholders.

(b) improve corporate credibility and governance standards and make significant contributions to the Company's decision making by bringing in the quality of detached impartiality.

(c) make independent assessments of information, reports or statements when the interests of Management, Company and/or shareholders diverge, such as executive performance and remuneration, related party transactions and audit matters.

8. BOARD COMMITTEES

The Board may from time to time establish appropriate Committees to assist the Board in discharging its responsibilities. Where a Committee is formed, specific Terms of Reference of the Committee shall be established in writing to cover matters such as the objective, composition, authority and responsibility of the Committees.
The Terms of Reference shall be approved by the Board as a whole and shall be assessed and reviewed as and when necessary to ensure the Terms of Reference is in accordance with the Company Constitution, and the MMLR.

While the Board delegates its authority to Board Committees or the Management, the Board will not delegate any of its decision-making authority to those Committees.

The Board has established the following formal Committees to assist in the execution of its responsibilities: -

- Audit Committee
- Nominating Committee;
- Remuneration Committee; and
- Risk Management Committee.

The Committees' Terms of Reference are available on the Company's website.

The Board may establish informal committees from time to time to assist in carrying out specific functions.

The Chairman of the respective Committees shall report and update the Board on the significant issues and concerns discussed and where appropriate, make the necessary recommendations to the Board.

9. BOARD MEETINGS

9.1 Frequency

Board meetings shall be conducted at least four (4) times a year, at quarterly intervals, with additional meetings to be convened as and when necessary.

9.2 Notice, Agenda and Meeting Materials

The notice of Board meeting and accompanying agenda and other non-financial related materials shall be circulated at least five (5) business days in advance of the Board meeting to ensure Directors have sufficient information and time to review and prepare, facilitating meaningful deliberation during each meeting. A meeting may, with the consent of all Directors, be convened with shorter notice.

9.2.1 Quorum

The quorum for a Board meeting shall be a minimum of two (2) Directors of which one (1) should be an Independent Director. In the absence of the Chairman, or if the Chairman is not present within fifteen (15) minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to chair the meeting.

9.2.2 Attendance Requirement

All Directors are encouraged to attend Board meetings as many as possible and to participate in the deliberations actively, especially when due notice has been given.

All Directors must meet the MMLR attendance requirement of at least 50%. Management who are not directors may be invited to attend and speak at Board meeting on matters relating to their areas of responsibility. The Board may also

invite external parties such as auditors and consultants to attend as and when the need arises.

9.2.3 Mode of Meeting

Any Director may participate at a meeting by way instantaneous telecommunication device whereby all persons participating in the meeting are able to hear each other and be heard for the entire duration of the meeting in which event such Director shall be deemed to be physically present at the meeting.

A Director participating in a meeting in the manner aforesaid may also be taken into account in ascertaining the presence of a quorum at the meeting.

9.2.4 Directors' Circular Resolution

In the event issues requiring Board's decision arises between meetings, such issues shall be resolved through circular resolution. Such circular resolution shall be valid and effectual if it is signed or approved by letter, facsimile, telegram, telex, cable or other forms of electronic communications by the majority of the Directors and who are sufficient to form a quorum and such resolution including any concerns raised shall be tabled at the next immediate Board meeting for formal record keeping.

9.2.5 Voting

All resolutions of the Board shall be adopted by simple majority vote, each Director having one vote. In case of equality of votes, the Chairman shall have a second or casting vote except where only two (2) Directors form a quorum present or at which only two (2) Directors are competent to vote on the question at issue.

Directors are required to inform the Board of conflicts or potential conflicts of interest that they may have in relation to a particular subject matter or business transaction. These Directors shall abstain from deliberation and determination of those matters.

9.2.6 Minutes

The minutes of each meeting shall be distributed to all Directors within a reasonable timeframe, and all Directors shall ensure the minutes of meetings accurately reflect the deliberations and decisions of the Board, including any concerns raised by individual directors or dissenting views expressed. Any Director abstained from voting or deliberation on a particular matter shall be recorded in the minutes.

All discussions and records of discussions shall remain confidential unless otherwise specified by the Board or where disclosure is required by the law. Subject to legal or regulatory requirements, the Board will decide on the manner and timing of the publication of its decision.

10. REMUNERATION

The Company's remuneration policy for Directors is tailored to provide a remuneration package needed to recruit, retain and motivate individuals of the necessary caliber and quality needed to run the Company successfully.

The Directors shall be paid all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending meetings of Directors of the Company.

The Board will review for approval, recommendations from the Remuneration Committee on the remuneration packages of Executive Directors and key Senior Management and Directors' fees for shareholders' approval at the AGM of the Company. Information prepared by independent consultants and survey data on the remuneration practices of comparable companies may be taken into consideration in determining these remunerations.

For Executive Directors, the Remuneration Committee considers corporate and individual performance, as well as performance on a range of other factors including accomplishment of strategic goals. The Remuneration Committee ascertains and recommends the remuneration packages of Executive Directors to the Board for its approval.

Non-Executive Directors are paid fixed annual director and meeting attendance fees as members of the Board and Board Committees. The Remuneration Committee recommends the Directors' and meeting attendance fees payable to the Board and are deliberated at the Board before presentation at the AGM for shareholders' approval. The amount of remuneration for each of the Non-Executive Director varies with the level of responsibilities undertaken by the individual.

In recognition of the additional time and commitment required, the Chairman of the respective Board Committees also receives an annual fixed fee for their chairmanship in the respective Board Committees. Individual Directors are not permitted to participate in the discussion and decision of their own remuneration.

11. FINANCIAL REPORTING

In the Company's financial reporting via quarterly announcements of results, annual audited financial statements and annual report presentation including Chairman's Statement and Management Discussion and Analysis, the Board provides a comprehensive assessment of the Company's performance and prospects. The Audit Committee also assists the Board in overseeing the Company's financial reporting processes and accuracy, adequacy, integrity and completeness.

The Board ensures that the annual audited financial statements are drawn up in accordance with the requirements of the applicable Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards, the provisions of the Companies Act 2016, MMLR of Bursa Securities and other regulatory requirements, so as to provide a true and fair view of the financial position of the Company.

12. CONTINUING EDUCATION PROGRAMME AND TRAINING

All Directors, including newly appointed Directors, are required to attend the Mandatory Accreditation Programmes as prescribed by Bursa.

In addition to the mandatory programmes, the Board with assistance of the Nominating Committee, shall evaluate and determine the training needs of its Directors to ensure the Directors attend relevant training courses or seminars at periodic intervals to keep themselves updated on developments pertaining to the oversight function of directors. Through continuing education programme, the Directors are required to update their knowledge and skills to sustain their active participation in Board deliberations and effectively discharge their duties.

The Board shall disclose in the Annual Report the training programmes attended by Directors during the financial year. In exceptional circumstances, where any Director has not attended any training during the financial year, valid justifications for the non-attendance of such director shall be disclosed. The cost of participating in the training programmes shall be incurred by the Company.

13. INVESTOR RELATIONS AND SHAREHOLDERS COMMUNICATION

The Board recognizes the importance of accurate and timely dissemination of information to shareholders on all material business affecting the Company. The Board is committed to ensuring there is effective, transparent and regular communication between the Company and shareholders to facilitate mutual understanding of each other's objectives and expectations.

The Board has established, amongst others, the following communication channels with its shareholders: -

(a) AGM
(b) Extraordinary General Meeting ("EGM") held as and when required.
(c) Annual Report; and
(d) Company's website.

All the Board members shall attend the AGM and EGM and the Chairman of the various Board Committees shall be available to facilitate the answering of questions from shareholders.

All corporate disclosures consider the prevailing legislative restrictions and requirements as well as the investors' needs for timely information such as financial performance results and material developments.

In addition, the Company maintains a website which provides shareholders and the public with general access to information about the Company which includes, corporate information, financial information, announcements and investor relations.

The AGM is the principal forum for dialogue with shareholders. Shareholders are notified of the meeting and provided with either a hardcopy or access to the electronic copy of the Annual Report at least twenty-one (21) days prior to the AGM.

Board members are available to respond to all queries and undertake to provide sufficient clarification on issues and concerns raised by the Shareholders. The external auditors are also present to provide their professional and independent clarification on queries raised by Shareholders. The status of all resolutions proposed at the AGM is announced to Bursa Securities at the end of the meeting day.

Any queries or concerns about the Company's business can be conveyed through the Company Secretaries who would then refer the matter to the attention of the Board. Shareholders may also directly approach the Independent Non-Executive Directors of the Company on these issues. Shareholders may also contact the Company through electronic mail at *enquiry@sungeibagan.com.*

14. RELATIONSHIP WITH STAKEHOLDERS

In addition to maximising shareholders value, the Board recognises the importance of taking consideration the needs and interests of its other stakeholders while pursuing the vision and mission of the Company.

Thus, the Board is responsible for: -

a) Ensuring the Company's strategies promote sustainability;

b) Ensuring effective communication not just with shareholders, but with all stakeholders;

c) Establishing and maintaining environmental, employment and occupational health and safety policies and sustainability practices; and

d) Ensuring that the Company remains active on its corporate social responsibilities.

15. CODE OF CONDUCT AND ETHICS

The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that promotes integrity, transparency and fairness. All Directors and employees are expected to behave ethically and professionally at all times to protect and promote the reputation and performance of the Company.

The Board shall establish the tone and standards of the Company through the Code of Conduct & Business Ethics ("Code") which articulates acceptable practices and guides the behavior of Directors, Management and employees.

The Code is to be observed by all Directors and employees of the Company. Management shall review and update the Code in accordance with the needs of the Company and any new regulations to ensure that it continues to remain relevant and appropriate. The Code of Conduct & Business Ethics is made available for reference on the Company's website.

16. WHISTLEBLOWING POLICY AND GUIDELINES

Whistleblowing is defined as "the deliberate, voluntary disclosure or reporting of individual or organization malpractice by a person who has or had privileged access to data, events or information about an actual, suspected or anticipated improper conduct within the organization or by an organisation that is within its ability to control".

Directors' improper conduct is generally described as any conduct by a Director which if proved constitutes a criminal offence or any conduct that constitutes a wrongdoing or malpractice and may include any of the following: -

a) The breach of any law, regulation or rule that is applicable to the Company. For example, a breach of insider trading laws;

b) Any criminal act, including criminal breach of trust, extortion and sabotage;

c) Any act that is likely to cause significant financial loss or costs to the Company including any intentional misrepresentation of the Company's financial statements;

d) Any other action that would cause significant harm to the Company or to any person(s);

e) The deliberate concealment of information concerning any of the matters listed above.

The Board has in place a whistleblowing policy to a structured mechanism for its employees, directors and associates to raise or report suspected and/or known misconduct, wrongdoings, corruption and instances of fraud, waste, and/or abuse involving the resources of the Company and to provide reassurance that they shall be protected from reprisals or victimisation for whistleblowing in good faith. The Board has overall responsibility for this policy and shall oversee the implementation of this policy.

The whistleblowing policy is available on the Company's website.

17. ANTI-BRIBERY AND ANTI-CORRUPTION POLICY AND GUIDELINES

The Anti-Bribery & Anti-Corruption ("ABAC") Policy & Guidelines of the Company defines the policies and procedures for the Company and its subsidiaries.

The ABAC is applicable to the following stakeholders: -

(a) All Directors;
(b) All employees of the Company and its subsidiaries; and
(c) Suppliers, sub-contractors, consultants, agents, representatives and others performing work or services for and on behalf of the Company and its subsidiaries.

It is the intention of the Board to ensure that these procedures serve as their commitment to prohibit bribery and corruption in the business conduct within the Company and its subsidiaries. The ABAC policy is available on the Company's website.

18. REVIEW OF THE BOARD CHARTER

The Board will review this Charter every three (3) years, and earlier where required by any change in law, regulation or the Company's circumstances. The Board Charter may be amended from time to time to ensure its relevance, effectiveness and consistency with the Company's objective, its practices and current regulations.

This Board Charter was updated and approved by the Board on 26 August 2026.