



SASBADI

SASBADI HOLDINGS BERHAD

(Company No. 1022660-T)

BOARD CHARTER

1. INTRODUCTION

The Board of Directors (“the Board”) of Sasbadi Holdings Berhad (“Sasbadi Holdings” or “the Company”) is committed to implementing and maintaining principles and practices of good corporate governance within Sasbadi Holdings and its subsidiaries (“the Group”) in order to safeguard stakeholders’ investments and the Group’s assets. In this regard, Board members are expected to practise good governance, integrity and professionalism in discharging their fiduciary duties and responsibilities.

2. PURPOSE OF THE BOARD CHARTER

The Board Charter outlines the composition, roles and responsibilities (including the division of responsibilities and powers between the Board and Management, the different Committees and between the Chairman and the Managing Director), operation and processes of the Board.

The Board Charter serves as a source of reference and primary induction literature, providing insights to prospective Board members and senior management. It is also to assist the Board in the assessment of its own performance and that of the individual Directors.

3. THE BOARD

3.1 Board Composition

The Board shall comprise members with diverse skills, experience and qualifications necessary to govern the Company, and shall be of a size that facilitates decision-making in the Company.

The Articles of Association of the Company provide that the number of Directors shall not be less than two (2) nor more than nine (9) (unless otherwise determined by general meeting).

At least two (2) or one-third (1/3) of the Board members, whichever is the higher, shall be Independent Directors. The Independent Directors shall bring independent and objective judgment to the Board. In the event of any vacancy resulting in non-compliance with this requirement, the Company shall fill the vacancy within three (3) months.

The tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the Director being re-designated as a Non-Independent Director. In the event the Company intends to retain the Independent Director in that capacity beyond the nine (9) years, the Board shall justify and seek shareholders’ approval for that purpose.

The Board shall appoint a Senior Independent Director from among its members to attend to any queries or concerns raised by the shareholders. Acknowledging that gender diversity is one of the key attributes to an effective and balanced board, the Company shall commit to having female representation on the Board.

The composition and size of the Board shall be reviewed on an annual basis or when the need arises.

3.2 Appointment and Re-election

The appointment of a new Director to the Board shall be undertaken through a formal and transparent process. The Nomination Committee is tasked to assess and recommend to the Board the candidate for directorship, upon which the Board shall consider and decide on the appointment. All appointments shall be based on merits and not on any gender, age or racial bias.

On appointment, the Nomination Committee shall provide orientation to the new Director as to the nature of the business, current issues within the Company and the corporate strategies, the expectations of the Company concerning input from the new Director and his/her general responsibilities.

The Articles of Association of the Company provide that any newly appointed Director shall hold office only until the next annual general meeting ("AGM") and shall then be eligible for re-election. In addition, one-third (1/3) of the Board shall retire from office and be eligible for re-election at every AGM, and all Directors, including the Managing Director (if any), shall retire from office at least once in every three (3) years but shall be eligible for re-election.

3.3 Independence of Independent Directors

The Board shall assess the independence of the Independent Directors on an annual basis based on the criteria formulated by the Nomination Committee, to ensure that the Independent Directors continue to bring independent and objective judgment to Board deliberations.

3.4 Acceptance of New Directorship

The Directors shall devote sufficient time to carry out their roles and responsibilities for the Group. In this regard, all Directors shall be required to notify the Chairman (of the Board) prior to accepting any new directorship and if there is any conflict of interest arising from the appointment.

3.5 Roles and Responsibilities of the Board

The Board shall be responsible for the overall strategic direction and leadership of the Group, the adequacy and effectiveness of the Group's risk management and internal control system, and compliance with the relevant laws and regulations. The Management, on the other hand, shall be responsible for assisting the Board in implementing the policies and procedures adopted by the Board to achieve the Group's objectives and in running the Group's day-to-day business operations.

The roles and responsibilities of the Board shall include, among others, the following:

- Review, challenge and approve the strategic plan prepared by the Management for the Group and to monitor the implementation of the plan;
- Oversee the conduct of the Group's business to ensure the objectives are met, the business is sustainable, and the relevant regulations are complied with;

- Identify, assess and manage the principal risks affecting the Group through the implementation of an adequate and effective system;
- Ensure that there are plans in place for orderly succession of senior management;
- Review the adequacy and effectiveness of the Group's risk management and internal control system; and
- Oversee the implementation of an investor relations policy to enable effective communication between the Group and the shareholders and other stakeholders.

3.6 Chairman and Group Managing Director

The Board shall practise the separation of the positions of Chairman and Group Managing Director and the division in their responsibilities. The Chairman shall be responsible for leading the Board in the oversight of Management, while the Group Managing Director shall focus on the running of the business and day-to-day management of the Group.

The Board shall ensure that the Chairman is a Non-Executive Director of the Board. In the event that the Chairman is not an Independent Director, the Board shall ensure its members comprise a majority of Independent Directors.

3.7 Board Committees

The Board may, from time to time, establish Committees as it deems appropriate to assist in carrying out its duties and responsibilities.

The Board has established three (3) Committees, namely Audit Committee, Nomination Committee and Remuneration Committee, which undertake their duties and responsibilities according to their delegated functions as set out in their respective Terms of Reference.

The Chairman of the respective Committees shall report to the Board on the outcome of the Committee meetings and such reports or minutes shall be included in the Board papers.

3.8 Board Meetings

The Board shall meet at least four (4) times in a financial year, and additional meetings may be convened as and when necessary. All Directors shall comply with the attendance requirement as set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

Agenda, Board papers and any other relevant documents shall be distributed in advance to enable the Board members to have sufficient time to prepare for the meeting and to arrive at informed decisions. The Board may also invite members of the Management to attend the Board meeting to provide further information or explanation to the Board members.

Any Director who has interests or is conflicted with regard to the business transaction being deliberated at the meeting, shall abstain from participating in the discussion or decision process pertaining to the matter.

The Company Secretaries shall keep minutes of the Board meetings.

3.9 Access to Information and Independent Professional Advice

The Directors shall have full and unrestricted access to all information of the Group on a timely and accurate manner to enable them to discharge their roles and responsibilities. In addition, the Directors shall have full and unrestricted access to the Company Secretaries, external auditors and internal auditors for advice and services. If required, the Directors, collectively or individually, may also seek external independent professional advice at the Company's expense.

3.10 Directors' Remuneration

The Board shall be ultimately responsible for the remuneration of the Directors after considering the recommendations of the Remuneration Committee. The Remuneration Committee is tasked to ensure that the levels of remuneration are sufficiently attractive and able to retain the Directors needed to run the Group successfully.

The Remuneration Committee is also tasked to, among others:

- review and recommend to the Board the framework of remuneration and its cost, and the remuneration package for Executive Directors, taking into account the performance of the individual, the inflation price index and information from independent sources on the rates of salary for similar jobs in a select group of comparable companies; and
- review and recommend to the Board the remuneration structure and policy for Executive Directors, the terms of employment or service contract, where relevant, any benefit, pension or incentive scheme entitlement, performance related bonuses, fees and expenses, compensation arrangement, and to review for changes to the policy, where necessary.

All Directors shall not participate in the deliberation and decisions on their respective remuneration packages.

3.11 Board Evaluation

The Nomination Committee shall assess on an annual basis the effectiveness of the Board as a whole, the Board Committees and the contributions of each individual Director, taking into consideration the required mix of skills, expertise, experience, commitment and other requisite qualities including core competencies which the Directors shall bring to the Board.

3.12 Directors' Continuing Education

In addition to the Mandatory Accreditation Programme prescribed by Bursa Securities, the Directors are encouraged to attend continuing education programmes to upgrade their knowledge and enhance their skills.

The Nomination Committee shall determine appropriate training for Directors and review the fulfilment of such training requirements, where appropriate.

3.13 Promote Sustainability

The Board shall ensure that its short-term and long-term strategies promote sustainability to the environmental, social and governance aspects of the Group's business.

4. COMPANY SECRETARIES

The appointment and removal of the Company Secretaries is a matter for the Board as a whole. In this regard, the Board is to ensure that the persons appointed as the Company Secretaries are able to perform the functions for which they are appointed.

The Company Secretaries play an important role in supporting the Board on corporate secretarial matters which include, among others, convening of Board and general meetings, preparation of circular resolutions and minutes of meetings, maintenance of statutory registers and records, release of announcements to Bursa Securities, and advising the Board on compliance with the relevant laws and regulations.

5. INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

The Board shall place importance on promoting effective communication and proactive engagements with shareholders and the investing public. This is to ensure timely and accurate information is provided to the shareholders and the investing public to facilitate the evaluation of the Company and its securities.

The channels of communication shall include, among others, the following:

- Timely and accurate announcements or disclosures to Bursa Securities on matters which require announcement or disclosure;
- AGM as a principal forum for communication with shareholders, including the question and answer session with the shareholders during the AGM;
- Regular dialogues with analysts and press conferences with the media; and
- The Company's website, www.sasbadiholdings.com, whereby the Investor Relations section within the website provides information such as latest media coverage, announcements to Bursa Securities and press releases on the Group.

6. CODE OF CONDUCT

The Directors are required to observe the Group's Code of Conduct which covers, among others, the following areas:

- Compliance with relevant laws and regulations
- Conflict of interest
- Punctuality and diligence
- Confidentiality
- Intellectual property
- Protection of assets and resources
- Business records and internal control system
- Insider information and securities trading
- Fair dealing
- Promote sustainability
- Sexual harassment

The Board shall review the Code of Conduct from time to time to ensure that it remains relevant and appropriate. A copy of the Code of Conduct can be viewed at the Company's website, www.sasbadiholdings.com.

7. REVIEW OF THE BOARD CHARTER

The Board shall review the Board Charter from time to time and make the necessary changes to ensure that it remains consistent with the Board's objectives, and current law and practices.

A copy of the Board Charter can be viewed at the Company's website, www.sasbadiholdings.com.