

**CUSCAPI BERHAD**  
*(43190-H)*  
(Incorporated in Malaysia)

**BOARD CHARTER**

**1. Introduction**

- 1.1 This Board Charter sets out the key corporate governance principles adopted by the Board of Directors (Board) of Cuscapi Berhad (“Cuscapi” or “Company”). In adhering to the responsibilities set out in this Charter, the Board members are expected to perform their duties with integrity, honesty and in a professional manner in accordance with the law in serving the interests of its shareholders, employees, clients and the community. The Board will carry out its mandate directly and through the various committees of the Board, and such other committees it may establish from time to time. The Board and Directors’ performance will be assessed annually based on the expectations set out in this Charter. With the various positions held by each Director on the Board, they are expected to meet the expectations set for each position as these are crucial to the long-term success of the Company.
- 1.2 This Board Charter is subject to the provisions of the Companies Act 2016 (“Companies Act”), the Articles of Association of Cuscapi, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), the recommended principles of the Malaysian Code on Corporate Governance 2012 (“MCCG”) and any other applicable law or regulatory requirements.

**2. Purpose**

- 2.1 The purpose of this Board Charter are to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities and the various legislations and regulations affecting their conduct and to ensure that the principles and practices of good corporate governance are applied in all their dealings in respect of for and on behalf of the Company.
- 2.2 The Board Charter also serves as a comprehensive guide for existing and prospective Board members to understand their roles and responsibilities and to assists the Board in the performance of their fiduciary duties as directors of Cuscapi. It will also assist the Board in the assessment of its own performance and of its individual Directors. This Charter is available on Company’s website at: <http://www.cuscapi.com/>

**3. Role of the Board**

The key role of the Board as a whole assumes full responsibility of leading, guiding and monitoring the performance of the Group and exploring new opportunity for the Group’s continual business growth. To that, the Board also undertakes to work towards a balanced approach in fulfilling the Group’s key business objective and the creation of long-term shareholder value.

#### **4. Board Size and Composition**

- 4.1 The Company's Articles of Association provides for a minimum of two (2) and maximum of eight (8) Directors.
- 4.2 The board must ensure at least two Directors or one-third of its Board, whichever is the higher, who are Independent Non-Executive Directors in accordance with the Listing Requirements.
- 4.3 To enhance its effectiveness, the Board should comprise Directors with an appropriate range and mix of skills, experience, expertise, gender and age diversity. Accordingly the Nomination Committee is entrusted by the Board to appraise candidate for directorship including those who retire and offer themselves for re-election or re-appointment, before recommending to the Board.

#### **5. Independence**

- 5.1 An Independent Director is independent of management and free of any significant business or other relationships that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement, and who otherwise meet the criteria for independence.
- 5.2 The Independent Directors provide independent judgement, experience and objectivity without being subordinated to operational considerations.
- 5.3 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 subject to objective and impartial consideration by the Board.
- 5.4 The views of the Independent Directors should carry significant weight in the Board's decision-making process.
- 5.5 Where the Chairman of the Board is not an Independent Non-Executive Director, the Board must comprise a majority of Independent Non-Executive Directors to ensure the balance of powers, authority and independence of the Board.
- 5.6 The Board undertakes to assess the independence of the Independent Directors on an annual basis upon readmission or when any new interest or relationship develops.

## **6. Tenure of Independent Director**

The tenure of an Independent Director shall not exceed a cumulative term of 9 years. However, upon completion of the nine years, the Independent Director may continue to serve the Board subject to the Director's re-designation as a Non-Independent Director. In the event the Director is to remain designated as an Independent Director, the Board shall, upon the recommendation from the Nominating Committee, first justify and obtain shareholders' approval. The Board must justify and seek shareholders' approval in the event it retains as an Independent Director, a person who has served in that capacity for more than 9 years.

## **7. Segregation of Role**

7.1 There must be clear segregation of roles and responsibilities between the Chairman and CEO to ensure a balance of power and authority.

### **7.2 Chairman**

- (a) The Board will appoint from among the Members a Chairman.
- (b) There should be a clearly accepted division of responsibilities between the Chairman and the Chief Executive Officer.
- (c) The Chairman is principally responsible for the working of the Board which include:
  - Providing overall leadership to the Board, without limiting the principle of collective responsibility for Board decisions.
  - Participating in the selection of Board members and ensuring that the membership is properly balanced.
  - Setting agenda for Board meetings, usually in conjunction with the Management and Secretary. The Chairman should ensure that the agenda and all necessary background paper are given to Directors in sufficient time to enable the papers to be adequately considered before the meeting.
  - Chairing meetings of the Board in such a manner that will stimulate debate on the issues before the Board and encourage the most effective contribution from each Director.
  - Reviewing the minutes of meetings of the Board before meeting, to ensure they accurately reflect the Board's deliberations, and matters arising from the minutes and on which further action is required have been addressed.
  - Ensure the Company provides an orientation and education program for new directors.
  - Initiating, normally in conjunction with the Management, the formulation of a business plan to ensure that the Board establishes at the beginning of each year the goals it wishes to achieve and the means by which this will be carried out.
  - Initiating the establishment of Board Committees and ensuring that they achieve their objectives.
  - Ensuring high corporate governance.
  - Encourage all Directors to play an active role in Board activities.
  - Chair general meetings of shareholders.
- (d) The Chairman is responsible for representing the Board to Shareholders.

- (e) The Chairman is responsible for ensuring the integrity and effectiveness of the governance process of the Board.
- (f) The Chairman is responsible for maintaining regular dialogue with the CEO over all operational matters and will consult with the remainder of the Board promptly over any matter that gives him or her cause for major concern.
- (g) The Chairman will act as a facilitator at meetings of the Board to ensure that no Member, whether executive or non-executive, dominates discussion, that appropriate discussion takes place and that relevant opinion among Members is forthcoming. The Chairman will ensure that discussions result in logical and understandable outcomes.

### 7.3 **CEO**

- (a) The Board will link the Company's governance and management function through the CEO.
- (b) All Board authority conferred on Management is delegated through the CEO so that the authority and accountability of Management is considered to be the authority and accountability of the CEO so far as the Board is concerned.
- (c) The Board will guide the CEO to develop and implement strategies and plans. The Board will set, annually and from time to time, specific goals for the CEO to accomplish. The goals will be set for the annual budget, profits and return on investment
- (d) Between Board meetings the Chairman maintains an informal link between the Board and the CEO, expects to be kept informed by the CEO on all important matters, and is available to the CEO to provide counsel and advice where appropriate.
- (e) Only decision of the Board acting as a body are binding on the CEO. Decisions or instructions of individual Members, officers or committees are not binding except in those instances where specific authorisation is given by the Board.
- (f) The CEO's principal responsibilities, amongst others, are as follows:
  - Providing the vision and strategic direction of the Group
  - Formulating and implementing appropriate corporate strategies
  - Ensuring the efficiency and effectiveness of the Group's operations
  - Assessing potential business opportunities
- (g) The CEO, is accountable to the Board for the achievement of the strategies, plans and goals set by the Board.

### 7.4 **Executive Director**

- (a) The Board will link the Company's governance and management functions through the Executive Directors.
- (b) All Board authority conferred on Management is delegated through the Executive Directors so that the authority and accountability of Management is considered to be the authority and accountability of the Executive Directors so far as the Board is concerned.
- (c) The Board shall together with the Executive Directors set directions/guidelines to achieve the Company Goals. This will usually take the form of an annual budget under which the Executive Directors are authorized to make any decision and take any action within the Management Limitations, directed at achieving the Company Goals.

- (d) The Executive Directors are expected to keep the Board informed on all important matters.
- (e) Only decisions of the Board acting as a body are binding on the Executive Directors. Decisions or instructions of individual Directors, officers or committees are not binding except in those instances where specific authorization is given by the Board.

#### 7.5 **Non-Executive Directors**

- (a) Non-Executive Directors are not involved in the day-to-day management of the Group.
- (b) Non-Executive Directors are person of calibre, credibility and have the necessary skill and experience to bring an independent judgement to bear on the issues of strategy, performance and resources, including key appointments and standards of conduct.
- (c) Non-Executive Directors ensure that business and investment proposals presented by management are fully deliberated and examined. They perform a key role by providing unbiased and independent views, advice and judgment, which take into account the interests of Company and all its stakeholders including shareholders, employees, customers, business associates and the community as a whole.
- (d) Non-Executive Directors act as a channel of communication between Management, shareholders and other stakeholders' interest and ensuring that high standards of corporate governance are applied.

#### 7.6 **Senior Independent Non-Executive Directors**

The duties of the Senior Independent Non-Executive Director shall include acting as a point of contact for shareholders and other stakeholders with concerns which have failed to be resolved or would not be appropriate to be communicated through the normal channels of the Chairman.

### **8. Responsibilities of the Board**

The principal responsibilities of the Board include the following:

- (a) Reviewing and adopting a strategic plan for the Group;
- (b) Overseeing the conduct of the Group's business to evaluate whether the business is being properly managed and to build sustainable value for shareholders;
- (c) Identifying principal risks and ensure the implementation of appropriate risk management, internal control and mitigation measures;
- (d) Succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing senior management;
- (e) Overseeing the development and implementation of an investor relations programme or shareholder communications policy for the Group; and
- (f) Reviewing the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

## **9. Formal schedule of matters that reserved for the Board's deliberation and decision making**

The formal schedule of matters that would be reserved for the Board's deliberation and decision among others, the following:-

- (a) Corporate/strategic directions/plans and programmes.
- (b) Annual operating and capital expenditure budgets.
- (c) New business ventures.
- (d) Acquisitions and disposals of material undertakings and properties or any significant expenditure which exceeds the authority limits delegated to Executive Committee or the Chief Executive Officer ("CEO").
- (e) Changes to the management and control structure within the Group, including key policies and delegated authority limits.
- (f) Appointment of all Board's and Board committees' members, CEO and the Company Secretary.
- (g) Any matters in excess of any discretions that may have been delegated from time to time to the CEO and Executive Management.
- (h) Terms of reference of Board committees.
- (i) Any matters and/or transactions that are within the ambit of the Board pursuant to the Companies Act, the Bursa Securities, the Company's Memorandum and Articles of Association or any other applicable laws, rules, regulations, directives and guidelines.

## **10. Company Secretary**

- 10.1 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 suitably qualified and capable of carrying out the duties required of the post.
- 10.2 The Secretary is responsible for ensuring that Board procedures are followed, that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation.
- 10.3 The Company Secretary is accountable to the Board through the Chairman of the Board and Committees on all governance matter.
- 10.4 The Board members have unlimited access to the professional advice and services of the Company Secretary.

## **11. Appointments and Re-elections**

- 11.1 The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the Nomination Committee. In discharging this duty, the Nomination Committee will assess the suitability of an individual to be appointed to the Board and Board Committees by taking into account the individual's skills, knowledge, expertise and experience, professionalism, integrity, gender and age diversity. Any new Director so appointed shall be subject to re-election at the next Annual General Meeting ("AGM") to be held immediately following the appointment.

- 11.2 The Company Secretary has the responsibility of ensuring that relevant procedures relating to the appointments of new Directors are properly executed.
- 11.3 The Articles of Association of the Company provide that at least one third (1/3) of the Board shall retire from office and be eligible for re-election at every AGM, and all the Directors should submit themselves for re-election at least every three (3) years. The Directors to retire in each year should be those who have been longest in office since their last election

## **12. Other Board Appointment**

- 12.1 Any Board member is, while holding office, at liberty to accept appointments to the board of other companies so long as the appointment is not in conflict with the Business and shall not result conflict with the discharge of Directors' duties to the Company. The concerned Director shall observe the rules of disclosure as required by the regulatory authorities.
- 12.2 All Board members shall notify the Chairman of the Board before accepting any new directorship. The notification shall include an indication of time that will be spent on the new appointment.

## **13. Board Meeting**

- 13.1 Board meetings are scheduled in advance at the end of the prior calendar year to enable the Board members to plan their schedules accordingly. The Company Secretary will prepare and circulate a timetable for all required to attend the meeting.
- 13.2 The Board meetings will be conducted on quarterly basis and additional meetings to be convened as and when necessary.
- 13.3 The notice of Board meeting setting out the agenda shall be issued at least seven (7) days prior to the meeting to the Directors to review, seek additional information and/or clarification on the matters to be deliberated at Board meetings and Board meeting papers are delivered in hard copies at least three days prior to the meetings.
- 13.4 All Board meetings shall be chaired by Chairman of the Board. In events of the Chairman's absence, or if he is not present within fifteen (15) minutes after the time set for the holding of the meeting, the Directors shall elect one (1) of their number to be Chairman of the meeting.
- 13.5 The quorum necessary for the transaction of business of the Directors shall be two (2).
- 13.6 Proceedings of the Board meetings are minuted and signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting shall be evidence of the proceedings to which it relates.
- 13.7 The Board may from time to time and if deemed appropriate, consider and approve and/or recommend relevant matters via a Directors' Resolution in Writing, in lieu of formally convening a meeting. Directors' Resolution in

Writing shall be as valid and effectual as if it has been passed by a meeting of the Board duly convened. Approval of the Board obtained by a Directors' Resolution in Writing must signed or approved by all Board members.

- 13.8 The Board may invite external parties such as members of management, auditors (both internal and/or external auditors), solicitors or consultant to attend and speak at meetings on matters relating to their sphere of responsibility as and when the need arises.
- 13.9 The conduct of a meeting of directors or a committee of the Directors may include participation thereat by any Director via telephone conferencing, video or audio conferencing of any other electronic forms of telecommunication as the Directors deem expedient.

#### **14. Board Committees**

- 14.1 Board committees shall be formed as required by the code of corporate governance on best practices and only when it is efficient or necessary to facilitate efficient decision-making.
- 14.2 Board committees shall observe the same rules of conduct and procedure as the Board unless the Board determines otherwise.
- 14.3 Board committees shall only speak or act for the Board when so authorised.
- 14.4 The Board may from time to time establish Committees to streamline the discharge of its responsibilities. The Board delegates certain of its governance responsibilities to the following Committees, which operate within clearly defined terms of references:

##### **Audit Committee**

The Audit Committee assists and supports the Board's responsibility to oversee the Company's operations by providing a means for review of the Company's processes for producing timely and accurate financial data, its internal controls and independence of the Company's external and internal auditors.

##### **Remuneration Committee**

The Remuneration Committee assists the Board in developing and establishing competitive remuneration policies and packages accorded to the Directors to ensure that the Executive Directors' level of remuneration commensurate with their experience, level of responsibilities, achievement and contribution to the Company. As for Non-Executive Directors, to ensure it is consistent with their commitment, participation and contribution to the Company.

##### **Nomination Committee**

The Nomination Committee oversees matters related to the proposing suitable new nominees for appointment as Directors and to fill the seats on Board Committees wherever necessary. The Nomination Committee also annually review 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.



## **15. Board and member assessment**

- 15.1 The Board recognises the importance of assessing the effectiveness of individual Directors, the Board as a whole and its Committees.
- 15.2 The Nomination Committee is entrusted by the Board to develop a set of criteria with target areas of focus to assist the Board in evaluating the performance and effectiveness of the Board, Board Committees and individual Directors annually.
- 15.3 As part of the evaluation process, all Independent Non-Executive Directors of the Company are required to provide to the Board a yearly declaration and confirmation of their independence in compliance with the criteria set out in the Listing Requirements to facilitate the annual assessment of the Independent Non-Executive Directors by the Board.

## **16. Directors' Remuneration**

- 16.1 The Remuneration Committee is empowered to make recommendations on Executive Directors' remuneration.
- 16.2 Directors' remuneration policy is generally designed to enable the Company to attract and retain experienced and knowledgeable Director of such caliber to provide the necessary skills and experience as required to support the Company's ambitious expansion plans in line with its overall objective of delivering long-term value to its shareholders.
- 16.3 For the Executive Director, the remuneration packages are structured so as to link short-term and long-term rewards to corporate and individual performance. A significant portion of the Executive Director's compensation package has been made variable in nature to be determined by the Company's performance during the year against the individual Key Performance Indicators which are aligned with the Company's objectives.
- 16.4 For Non-Executive Directors ("NEDs"), the level of remuneration generally reflects the experience and level of responsibilities undertaken. The determination of remuneration packages for NEDs including the Non-Executive Chairman, is a matter for the Board as a whole following the relevant recommendation made by the Remuneration Committee.

## **17. Directors' Training & Continuous Education**

- 17.1 In addition to the Mandatory Accreditation Programme as required by the Bursa Securities for newly appointed Director, the Directors are encouraged to attend training programmes conducted by highly competent professionals and which are relevant to the Company's operations and business.
- 17.2 The Directors shall continue to update their knowledge and enhance their skills through appropriate continuing education programmes and life-long learning. This will enable Directors to sustain their active participation in Board deliberation and to discharge their duties more effectively. The Board shall assess the training needs of its members from time to time.

- 17.3 The Board will assess the training needs of the Directors from time to time and will ensure Directors have access to continuing education programme.
- 17.4 All costs incurred ancillary or incidental to the training shall be borne by the Company.
- 17.5 The Directors are required to disclose the trainings they have attended during a financial year in the Company's Annual Report.

## **18. Access to Information and Independent Advice**

- 18.1 All Directors shall have unrestricted access to Senior Management and to information pertaining to the Company, including access to the Company Secretary, Company auditors (internal and external) and consultants, relevant to the furtherance of their duties and responsibilities as Director of the Company.
- 18.2 Where necessary and prudent, Directors may seek independent professional advice with the Board's prior approval, which will not be unreasonably withheld, as they individually or collectively consider necessary to fulfill their responsibilities and permit independent judgment in decision making, at the expense of the Company.

## **19. Code of Conduct and Ethics**

### **19.1 Introduction**

The Code is formulated to enhance the standard of corporate governance and corporate behaviour and to ensure the Group's business and activities are conducted with integrity, adherence to the highest ethical standards, and in compliance with the laws.

### **19.2 Conflict of Interest**

All Directors should endeavour to avoid situations that present a potential or actual conflict between their interest and the interest of the Group.

A "conflict of interest" occurs when a person's private interest interferes in any way, or even appears to interfere, with the interest of the Company, including its subsidiary companies. A conflict of interest can arise when a Director or a Director's family member takes an action or has an interest that may make it difficult for that Director to perform his or her work objectively and effectively. Conflicts of interest may also arise when a Director (or his or her family member) receives improper personal benefits as a result of the Director's position in the Company.

Although it would not be possible to describe every situation in which a conflict of interest may arise, the following are more common conflicts from which Directors must refrain:

- a) Relationship of Group with third parties

Directors may not knowingly engage in any conduct or activities that are inconsistent with the Group's best interests or that disrupt or impair

the Group's relationship with any person or entity with which the Group has or proposes to enter into a business or contractual relationship.

b) Compensation from non-Group sources

Directors may not accept compensation (in any form) for services performed for the Group from any source other than the Group.

c) Gifts

Directors may not offer, give or receive gifts or other items of value from persons or entities who deal or seek to deal with the Group in those cases where any such gift has the purpose or effect of influencing (or could be perceived as influencing) the Directors' actions as members of the Board, or where acceptance of the gifts could create the appearance of a conflict of interest.

d) Personal use of Group's assets

Directors may not use the Group's assets, labour or information for personal use unless approved by the Chairman/person of the Board or as part of a compensation or expense reimbursement program available to all directors.

### 19.3 **Confidential Information**

Directors should maintain the confidentiality of information entrusted to them by the Group, its customers, consumers or suppliers, except when disclosure is authorised or legally mandated. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Group, its customers, consumers or suppliers, if disclosed.

### 19.4 **Insider Information and Securities Trading**

Directors who have access to, or knowledge of, material non-public information from or about the Group are prohibited from buying, selling or otherwise trading in the Company's shares or other securities. Directors who acquire material non-public information about another company in the course of service as Directors are prohibited from trading in the securities of that other company. In connection thereto, Directors are also prohibited from directly or indirectly disclosing the said material non-public information to any other person, including family members, other relatives and friends, so that they may trade in the shares or other securities of the Company or that other company.

"Material non-public information" is generally non-public information that a reasonable investor would consider important when deciding to buy or sell securities. The restrictions described here also apply to "price sensitive information" or other similar types of information in jurisdictions where the applicable insider trading laws make reference to those types of information. Directors are also required to abide by all applicable laws on securities market abuse, which involves spreading false information or engaging in activities designed to manipulate the market for publicly traded securities.

## 19.5 **Fair Dealing**

Each Director should endeavour to deal fairly with customers, consumers, suppliers, competitors, employees, the public and each other at all times and in accordance with ethical business practices.

No one should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice. No bribes, kickbacks or other corrupt payments in any form shall be made directly or indirectly to or for anyone for the purpose of obtaining or retaining business or obtaining any other favourable action.

Occasional business gifts of modest value to and entertainment of non-government employees in connection with business discussions or the development of business relationships are generally deemed appropriate in the conduct of the Group's business.

However, no gift or entertainment should be offered or extended if it is illegal, known to be in violation of the rules of the recipient's organisation or would likely result in a feeling or expectation of personal obligation on the part of the recipient.

## 19.6 **Protection and Proper Use of Group's Assets**

Protecting Group's assets against loss, theft or other misuse is the responsibility of everyone who acts for the Group, including Directors. Loss, theft and misuse of the Group's assets directly impact the Group's profitability. All of the Group's assets should be used solely for legitimate business purposes.

## 19.7 **Other Legal and Ethical Standards**

In addition to the above, there are many legal and ethical standards that applicable to all persons acting for the Group. Among these are:

- a) The Group is fully committed to mutual respect among all those who act for the Group. The Group does not discriminate against anyone based on race, colour, religion, sex, age, national origin, sexual orientation, veteran status, citizenship status, marital status, parental status, political affiliation or disability.
- b) The Group does not tolerate any form of unlawful harassment, including sexual harassment.
- c) The Group respects and is diligent in protecting the privacy of employees, customers and consumers.
- d) In any dealings with governmental and regulatory authorities, honesty is required of anyone acting for the Group. In the event of a governmental or regulatory inquiry, all records relevant to the inquiry must be preserved.

- e) The Group will not accept or use anyone else's proprietary information that is improperly obtained, and will not copy or otherwise misappropriate others' copyrighted materials.

#### **19.8 Compliance with Laws, Rules and Regulations**

Directors must comply, and oversee compliance by employees, officers and other directors, with laws, rules and regulations applicable to the Group.

#### **19.9 Reporting of Any Illegal or Unethical Behaviour**

Directors should promote ethical behaviour and an environment in which the Group encourages employees to talk to supervisors, managers or other appropriate personnel about illegal and unethical behaviour and, when in doubt, about the best course of action in a particular situation. The Group will not tolerate any kind of retaliation for questions, reports or complaints regarding misconduct that were made in good faith.

#### **19.10 Compliance Procedures**

Directors should communicate any suspected violations of this Code promptly to the Chairman of the Audit Committee. Violations will be investigated by the Board or by persons designated by the Board, and appropriate action will be taken in the event of any violations of the Code.

#### **19.11 Waivers and Amendments**

Any waiver of any provision or amendment to this Code may only be made by the Board or a Board Committee.

### **20. Investor Relations and Shareholders Communication**

20.1 The Board is committed to ensure that shareholders are well-informed of all major developments affecting the state of affairs of the Group through timely dissemination of information on the Group's performance and major corporate developments via appropriate channel of communication which includes distribution of annual reports, relevant circulars to shareholders, press releases (where appropriate), quarterly performance results and corporate announcements to Bursa Securities.

20.2 The Annual General Meeting is the principal forum for dialogue and interaction with shareholders. The Board encourages shareholders to attend and participate in the question and answer session at the AGM.

### **21. Indemnity and Insurance**

The Directors and officers of the Company are entitled to be indemnified against liabilities arising from their holding of office in the Company. In this respect, the Company will consider the appropriate insurance policy to mitigate this risk.

## **22. Diversity Policy**

The Board via the Nomination Committee when assessing potential candidates for appointment as Directors will also consider these candidates in the context of Board balance, gender diversity and size of non-executive participation.

The Board is conscious of meeting the Corporate Governance Blueprint 2011 issued by the Securities Commission on increasing women participation on Boards to reach 30% by 2016. However, the Board believes that given the current state of the Group's development, it is more important to have the right mix of skills at the Board rather than attaining the percentage concerned.

Nevertheless, the Board is committed to provide fair and equal opportunities and nurturing diversity at all levels within the Group.

## **23. Sustainability Policy**

Sustainability efforts and initiatives are embedded in the day-to-day operational activities or are organized via special programs for specific sustainability cause. By achieving a satisfactory balance on bottom-line growth, welfare safeguard of people and community within a harmonious state of the environment, such efforts are intended to benefit the shareholders, investors, operating environment, society, employees, customers, business partners, contractors, suppliers and other stakeholders.

The Group is mindful of the importance of business sustainability in developing the business operations and corporate strategy. In this respect, the Board has always ensured that all aspects of the Group's business which have direct and indirect impacts on the work place, communities and environment are balanced with the interest of the Group's stakeholders.

## **24. Review of the Board Charter**

The Board chartered will be periodically reviewed and updated in accordance with the needs of the Company and any new regulation that may have an impact on the discharge of Board's responsibilities.