

**UNITRADE INDUSTRIES BERHAD**  
**Registration No. 202101013724 (1414023-X)**

**BOARD CHARTER**

**1. Purpose of the Board Charter**

This Board Charter sets out the principles for the operation of the Board of Directors (“**Board**”) of Unitrade Industries Berhad (“**UIB**” or “**the Company**”) and its subsidiaries (“**the Group**”) and describes the functions of the Board and those functions delegated to Management of the Company.

The Board has primary responsibility to shareholders for the welfare of the Company. The Board is responsible for guiding and monitoring the business and the affairs of the Group. The Company recognises the importance of the Board in providing a sound base for good corporate governance in the operations of the Group.

This Board Charter incorporates the Principles and Practices of the Malaysian Code on Corporate Governance (“**MCCG**”), as considered appropriate, Ace Market Listing Requirements of Bursa Malaysia Securities Berhad (“**AMLR**”) on corporate governance, certain aspects of the Company’s Constitution and relevant portions of the Companies Act 2016 insofar as the duties and responsibilities of Directors are concerned. This Board Charter is established to promote high standards of corporate governance and is designed to provide guidance and clarity for Directors and management with regard to the role of the Board and its committees. This Board Charter does not overrule or pre-empt the statutory requirements and other relevant statutes. This Board Charter shall form an integral part of each Director’s duties and responsibilities.

**2. Composition of the Board**

- 2.1 The Board shall be of a size and composition with the benefit of diversity in perspectives, competencies, extensive experience, knowledge and skills to understand properly and deal with the current and emerging issues of the business of the Company and the Group. Thus, the Board acknowledges the importance to promote gender diversity and does not set a restriction on having female director(s) on the Board.
- 2.2 The Company’s Constitution allows for not less than two (2) and not more than twelve (12) Directors. Thus, the Board shall examine and determine its size periodically in relation to the effective running of the Group business.
- 2.3 Pursuant to Rule 15.02 of AMLR, the Board shall comprise at least two (2) Directors or one-third (1/3), whichever is higher, of the Board of Directors who are Independent Directors. In the event of any vacancy in the Board, resulting in non-compliance with this requirement, the Board must ensure that the vacancy is filled within three (3) months. The independent director

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provides independent judgement, experience and objectivity without being subordinated to operational considerations.

- 2.4 The appointment of a new member to the Board is only made after consultation with the Nomination Committee (“**NC**”). Further, in identifying candidates for appointment of directors, the Board does not solely rely on recommendations from existing Board members, management or major shareholders. The Board may utilise variety of independent sources to identify suitably qualified candidates. If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the NC should explain why these sources are sufficient and other sources were not used.
- 2.5 The Board shall endeavour to achieve 30% female directors whenever a suitable candidate is identified. The Board through its Nomination Committee should take steps to ensure that woman candidates are sought as part of the recruitment exercise.
- 2.6 The Board recognises the importance of having a clearly accepted division of power and responsibilities at the head of the Company to ensure a balance of power and authority. The position of Chairman and the Managing Director (“**MD**”) are held by different individuals.
- 2.7 A Director shall inform the Board’s Chairman before he/she accepts any new directorships. Each Board member must not hold directorships at more than five (5) listed issuers.
- 2.8 The Board shall obtain time commitment from newly appointed Directors at the time of appointment.
- 2.9 The Board shall appoint a Senior Independent Director to act as an intermediary and point of contact to whom concerns may be conveyed by shareholders and the general public.
- 2.10 The tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. Upon completion of the nine (9)-year period, an Independent Director may continue to serve on the Board subject to the Director’s re-designation as Non-Independent Director. The Board may, in exceptional cases and subject to the assessment of the NC on an annual basis, recommend for an Independent Director who has served a consecutive or cumulative term of nine (9) years to remain as an Independent Director subject to valid justification and shareholders’ annual approval through a two-tier voting process.

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**3. Appointments and Re-election**

3.1 The appointment of a new Director is a matter for consideration and decision by the Board upon appropriate recommendation from the NC. It is the essence of the Board to ensure high levels of professional skills and appropriate personal qualities are pre-requisites for such nominee.

3.2 The criteria for the recruitment or appointment (including re-election/ re-appointment) of Director is guided by fit and proper assessment by the NC based on the Terms of Reference of the NC.

Without limiting the generality of the foregoing, the qualifications for Board membership are:

- (a) the ability to make informed business decisions and recommendations;
- (b) an entrepreneurial talent for contributing to the creation of shareholders' value;
- (c) sufficient available time to be able to fulfil his or her responsibilities as a member of the Board and any of the Committees to which he or she may be appointed; and
- (d) total commitment to furthering the interests of shareholders and the achievement of the Company's goals.

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

3.4 The tenure of the Executive Directors are tied to their executive office.

3.5 A Director shall at all times exercise his powers for a proper purpose and in good faith in the best interest of the Company and shall act honestly and use reasonable care, skill and diligence in 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.

3.6 The Board shall undertake an assessment of its Independent Directors annually. When the tenure of an Independent Director reaching nine (9)-year limit, he/she may continue to serve on the Board as non-independent director.

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The Board shall justify and seek annual shareholders' approval through a two-tier voting process as guided by the MCCG as follows:-

- Tier 1: Only the Large Shareholder(s) of the Company votes; and
- Tier 2: Shareholders other than Large Shareholder(s) votes.

Large shareholder(s) means a person who –

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

The decision for the resolution is determined based on the simple majority of votes of Tier 1 and a simple majority of votes of Tier 2. The resolution is deemed successful if both Tier 1 and Tier 2 votes support the resolution. The resolution is deemed defeated where the vote between the two tiers differs or where Tier 1 voter(s) abstained from voting.

The Board shall undertake a rigorous review to determine whether the “independence” of the director has been impaired to justify retaining an Independent Director beyond the cumulative term limit of nine (9) years. Findings from the review shall be disclosed to the shareholders for them to make an informed decision.

- 3.7 Annual assessment on the effectiveness of the Board, Board Committees and Individual Directors will be carried out with the objective to draw the attention of the Board key areas that need to be improved.
- 3.8 In accordance with the Company's Constitution, an election of directors takes place subsequently to their appointment each year where one-third (1/3) of the Directors or the number nearest to one-third (1/3) shall retire by rotation from office at each Annual General Meeting (“AGM”). Every Director including MD shall retire from office at least once in every three (3) years but shall be eligible for re-election at the AGM. A retiring Director shall retain office until the close of the meeting at which he retire.
- 3.9 The Director to retire in 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 to retire shall (unless they otherwise agree among

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themselves) be determined by lot. The length of time a Director has been in office shall be computed from his last election or appointment when he has previously vacated office.

- 3.10 The Board shall provide a statement as to whether it supports the appointment or re-appointment of the director and the reasons.

**4. Role of the Board**

- 4.1 The Board shall assume ultimate accountability and responsibility for the performance and affairs of the Company and shall in so doing effectively represent and promote the legitimate interests of the Company and its shareholders. The Board, at all times, shall retain full and effective control over the Company and shall provide leadership and supervise the business and affairs of the Company and the Group to ensure the businesses are being properly managed. Each Director has a legal duty to act in good faith, to use reasonable care, skill and diligence and to act in the best interest of the Company.
- 4.2 The Board shall ensure that Management has in place appropriate processes for risk assessment, management and internal controls and monitoring performance against agreed benchmarks. The Board shall work with Senior Management as collaborators in advancing the interests of the Company.
- 4.3 The Board shall be fully committed to developing and maintaining high standards of corporate governance by implementing the prescriptions of the principles and best practices stated in the MCCG. Good governance holds management accountable to the Board and the Board accountable to the shareholders and other stakeholders. The Board's fundamental approach in this regard is to ensure that the right executive leadership, strategy and internal controls for risk management are well in place.
- 4.4 The Board has delegated certain responsibilities to committees which operate in accordance with Charter approved by the Board and delegated the day to day management of the business of the Group to Management, C-level executive officers and MD subject to an agreed authority limit.
- 4.5 The Board shall devote sufficient time and fully commit to drive the Group and undertake continuous development of skills to enable fulfilment of their responsibilities to the Group.
- 4.6 The Board shall establish ethical value that support a culture of integrity fairness, trust and high performance.

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- 4.7 The Board should ensure that the Group not only operates successfully but sustains growth over the long term.
- 4.8 The Board shall review and approve annual business plans, financial statements and annual reports of the Group.
- 4.9 The Board shall monitor the relationship between the Group, the management, shareholders and stakeholders and to develop and implement an investor relations programme or shareholders' communications policy for the Company.
- 4.10 The Board shall ensure that C-level executive officers has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and senior management.
- 4.11 The Board shall establish, reviews and together with the management implements policies and procedures on whistleblowing.
- 4.12 The Board should, among others undertake the following:-
- (i) Strategic planning - to review and approve strategies, business plans and key policies for the Group and monitor Management's performance in implementing them to determine whether the business is being properly managed;
  - (ii) Corporate goal - to set corporate values and clear lines of responsibility and accountability, including governance systems and processes that are communicated throughout the Group;
  - (iii) Compliance to regulation - to ensure full compliance and to carry out the duties of the Board in accordance with the relevant provisions of the AMLR, the Capital Markets and Services Act 2007, the Companies Act 2016, the MCCG and all applicable laws, regulations and guidelines;
  - (iv) Independent and transparent - to ensure that there shall be unrestricted access to independent advice or expert advice at the Company's expense in furtherance of the Board's duties;
  - (v) Code of conduct - to formalise the ethical standards through a code of conduct which will be applicable throughout the Group and ensure compliance to this code of conduct. This code of conduct should be periodically reviewed by the Board;

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- (vi) Succession planning - to ensure that Senior Management has the necessary skills and experience, has and there is a proper and robust succession plan for its C-level executive officers and Executive Directors in place. Succession planning refers to the process of selecting, training, appointing, monitoring, evaluating and if warranted, replacing any management to ensure succession;
- (vii) Management proposals - to review, challenge and decide on Management's proposals for the Group, and monitor its implementation by Management;
- (viii) Judgmental timing - to ensure that the Board has adequate procedures in place to receive reports from Management periodically and / or on a timely manner, so that the Board has reasonable grounds to make proper judgement on financial matters and business prospects of the Group on an ongoing basis;
- (ix) Financial and non-financial reporting - to ensure all its directors are able to understand financial statements and form a view of the information presented, and to ensure the integrity of the Group's financial and non-financial reporting. Each director shall read the financial statement of the Group and carefully consider whether what they disclose is consistent with the director's own knowledge of the Group's affairs;
- (x) Related party management - to establish procedures to assess any related party transactions or conflict of interest situations that may arise within the Company or Group, including any transaction, procedure or course of conduct that raises questions of management integrity;
- (xi) Board committee - to establish and ensure the effective functioning and monitoring of the Board Committees then to delegate appropriate authority and Terms of Reference to such committees established by the Board and regular review of the division of authority, composition, performance and effectiveness of the Board Committees, the reports prepared by the Board Committees and deliberation on the recommendations thereon should be conducted to ensure that the Group is able to adapt to changing business circumstances;
- (xii) Board balance - to strive to achieve an optimum balance and dynamic mix of competent and diverse skillsets amongst the members of the Board;

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- (xiii) Governance culture - together with Management, promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;
  - (xiv) Governance of sustainability - together with Management, takes responsibility for the governance of sustainability in the Group including setting the Group's sustainability strategies, priorities and targets; and
  - (i) Stakeholder communication - to ensure that the Group has in place procedures to enable effective communication with stakeholders.
- 4.13 The Board will direct and supervise the Management, the business and affairs of the Group including, in particular:-
- (i) Sustainability matters - to review and adopt and monitoring the overall strategic plan and direction of the Group including restructuring or streamlining corporate business and strategic alliances to support the long-term value creation by taking into account the economic, environment and social considerations underpinning sustainability and to ensure that such strategic plans and the risk, performance and sustainability thereon are effectively integrated and appropriately balanced;
  - (ii) Performance management - to establish policies for strengthening the performance of the Group including ensuring that the Management is proactively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital;
  - (iii) Risk management - to identify principal risks, set the risk appetite within which the Board expects the Management to operate and ensure the implementation of appropriate systems to manage the significant financial and non-financial risks and to ensure there is a sound framework for internal controls and risk management;
  - (iv) Internal audit - to establish an internal audit function to obtain assurance of regular review and / or appraisal of the effectiveness of the system of internal controls within the Company and Group. The Board should explain in summary the means that exist for obtaining such assurance of regular review and / or appraisal;

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- (v) Internal control - to review the adequacy and integrity of the Group's internal control system and management information systems, including systems for complying with applicable laws, regulations, rules, directives and guidelines;
- (vi) Debt repayment capacity - to decide on whatever steps necessary to protect the Company's and Group's financial position and the ability generate cash flow to meet its debts and other obligations when they fall due, and ensuring that such steps are taken; and
- (vii) Law and regulations - to ensure that the operations of the Company and Group are conducted prudently and within the framework of relevant laws and regulations.

**5. Formal Schedule of Matters Reserved for the Board's Decision**

5.1 The Board reserves full decision-making powers on the following matters:

- Conflict of interest issues relating to a substantial shareholder or a Director including approving related party transactions;
- Material acquisitions and disposition of assets not in the ordinary course of business including significant capital expenditures;
- Strategic investments, mergers and acquisitions and corporate exercises;
- Strategic business plans;
- Succession Planning for key management;
- Strategic Planning for key management;
- Limits of authority;
- Risk management policies;
- Key human resource issues;
- Appointment of internal and external auditors and review of the financial statements;
- Financing and borrowing activities;
- Ensuring regulatory compliance; and
- Reviewing the adequacy and integrity of internal controls.

**6. Chairman, Executive Vice Chairman and MD**

The Company aims to ensure a balance of power and authority between the Chairman, Executive Vice Chairman and MD with a clear division of responsibility between the running of the Board and the Group's business respectively. The position of Chairman, Executive Vice Chairman and MD are separated and clearly defined.

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**6.1 Chairman**

(a) The Chairman is responsible for leading the Board in oversight of management, representing the Board to shareholders and chairing general meeting of shareholders. The Chairman of the Board should not be involved in the Board Committees to ensure there is check and balance as well as objectives review by the Board.

(b) Key responsibilities of the Chairman include:

- provide leadership for the Board so that the Board can perform its responsibility effectively;
- set the board agenda and ensure that Board members receive complete and accurate information in a timely manner;
- lead board meetings and discussions;
- encourage active participation and allow dissenting views to be freely expressed;
- manage the interface between Board and management;
- ensure appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole;
- lead the Board in adoption and implementation of good corporate governance practices in the Group;
- ensuring the integrity of the governance process and issues and other responsibilities assigned by the Board from time to time;
- ensuring effective communication with shareholders and relevant stakeholders; and
- ensure that general meetings sport meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the Group's financial and non-financial performance as well as the Group's long-term strategies.

(c) The Chairman is responsible for running the business of the Board to ensure that:

- (i) all Directors are properly briefed on issues arising at Board Meetings;
- (ii) sufficient time is allowed for the discussion of complex or contentious issues; and
- (iii) the issues discussed are forward looking and focused on strategy.

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## **6.2 Executive Vice Chairman**

- (a) The Executive Vice Chairman shall assist the Chairman in performing the latter's duties and responsibilities. In particular, the Executive Vice Chairman shall take the important role in monitoring the implementation of the Group's strategies. During the period when the Chairman is absent and the normal functions of the Chairman cannot be carried out, the Executive Vice Chairman will take the role as the acting Chairman.
- (b) The Executive Vice Chairman is also responsible to the Board for the following:
- strategic planning, business development and overseeing the Group's business operations together with the MD; and
  - formulation of high level-strategies of the Group and together with the MD, directing the overall growth of the Group.

## **6.3 MD**

The position of the MD in essence is to ensure the effective implementation of the Group's strategic plan and policies established by the Board as well as to manage the daily conduct of the business and affairs to ensure its smooth operations.

- (a) The MD is responsible to the Board for the following:
- executive management of the Group's business covering, inter alia, the development of a strategic plan, an annual operating plan and budget, performance benchmarks to gauge the management's performance and the analysis of the management's reports;
  - effectively overseeing the human resources of the Group with respect to key position in the Group's hierarchy, determination of remuneration as well as terms and conditions of employment for Senior Management and issues pertaining to discipline;
  - develop long-term strategic and short-term profit plans;
  - assessing business opportunities which are potential benefit to the Company and the Group;
  - set, review and ensure compliance with the Company's values;
  - direct and control all aspects of the business operations;

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- ensures that the Group's Financial Reports present a true and fair view of the Group's financial condition and operational results and are in accordance with the relevant accounting standards;
- regularly reviewing the heads of divisions and departments who are responsible for all functions contributing to the success of the Group;
- managing key business risks that evolve or arise from time to time, so as to mitigate financial loss or reputational damage to the Group;
- assures the Group's corporate identity, products and services are of high standards and are reflective of the market environment;
- be one (1) of the official spokespersons for the Company and responsible for regulatory, governmental and business relationships;
- ensures compliance with governmental procedures and regulations;
- coordinates business plans with the businesses heads, coordinates management issues through the Board, and oversees divisional function groups and cost containment process in consultation with the Chief Financial Officer;
- promoting a high degree of corporate governance and ethics across the Group;
- maintains and facilitates a positive working environment and good employee relations; and
- assists the Chairman in organising information necessary for the Board to deal with the agenda and for providing this information to Directors on a timely basis.

In discharging the above responsibilities, the MD can delegate appropriate functions to the Senior Management, who shall report to the MD.

## **7. Role of Independent Directors**

- 7.1 Independent Directors are those who have no direct or indirect pecuniary interest in the Company other than the remuneration for their services as members of the Board of Directors and Board committees of the Company and the Group as defined under Rule 1.01 of the AMLR;
- 7.2 The role of Independent Directors is to constructively scrutinise and develop proposals on strategy include, inter alia:

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- to make independent assessment of the information, reports or statements, having regard to the Directors' knowledge, experience and competence, to provide independent view and demonstrate objectivity in reviewing and challenging the management's proposals at meetings;
- to bring impartiality and scrutiny to Board's deliberations and decision-making and also serve to stimulate and constructively challenge the Senior Management in an objective manner;
- to devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes, so as to keep abreast of industry issues, market development and trends; and enable them to sustain their active participation in board deliberations; and
- act as a channel of communication between Senior Management, shareholders and other stakeholders, and provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied.

7.3 Independent Directors shall meet among themselves at least annually to discuss among others strategic, governance and operational issues.

**8. Role of Senior Independent Director**

8.1 The role of Senior Independent Director include, amongst others:

- ensure all independent directors have opportunity to input on the agenda, and advise the Chairman on the quality, quantity and timeliness of the information submitted by the management that is necessary or appropriate for the independent directors to perform their duties effectively;
- consult the Chairman regarding board meeting schedules to ensure the independent directors can perform their duties responsibly and with sufficient time for discussion of all agenda items;
- serve as a designated contact for consultation and direct communication with shareholders on areas that cannot be resolved through the normal channels of contact with the Chairman or MD;
- lead the succession planning and appointment of directors, and oversee the development of a diverse pipeline for board and management succession, including the future Chairman, Executive and Non-Executive Directors and MD; and
- lead the annual review of board effectiveness, ensuring that the performance of each individual director and Chairman of the Board are independently assessed.

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## **9. Role of Directors**

9.1 The principal roles of directors includes, amongst others:

- review and adopt a strategic plan for the Company;
- oversee the conduct of the Company and Group's businesses to evaluate whether the business is being properly managed;
- succession planning, including appointing, training, fixing the compensation of and, where appropriate, replacing senior management;
- develop and implement an investor relations programme or shareholder communication policy for the Company;
- review 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;
- direct the management of the business and affairs of the Group;
- attend substantially all the meetings of the Board and substantially all the meetings of each Committee on which the Director serves;
- review all materials provided by the Company relating to matters to be considered before attending meetings of the Board or Committees; and
- To read the financial statements of the Company and carefully consider whether what they disclose is consistent with the director's own knowledge of the company's affairs.

## **10. Disqualification or vacation of officer:**

The office of Directors shall become vacant if the Director:

- (a) becomes bankrupt;
- (b) has been convicted of an offence involving bribery, fraud or dishonesty;
- (c) becomes disqualified from being a Director by reason of any other made under the Companies Act 2016 or has been convicted of an offence under Sections 213, 217, 218, 228 and 539 of the Companies Act 2016;
- (d) becomes of unsound mind;
- (e) is absent from more than 50% of the total board of directors' meetings held during the financial year;
- (f) resigns from office by notice in writing given to the Company; or
- (g) removed from office by resolution of the Company in general meeting of which special notice has been given.

## **11. Board Processes/Procedures**

Board Meetings shall be conducted in a business-like manner where all Directors are encouraged to share their views and partake in discussions. No one person should dominate the discussion. The Chairman, assisted by the Company

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Secretary, shall play a mediator's role to maintain the order of the proceedings in a constructive, productive and effective manner.

**11.1 Board Meeting and Frequency**

- 11.1.1 The Board shall meet regularly, at least on a quarterly basis. Special Board meetings shall be held in addition to the quarterly meetings as and when required. Prior notice of meetings will be given to all who are required to attend the meetings.
- 11.1.2 The quorum for Board meetings shall be two (2).
- 11.1.3 The Chairman of the Board, or in his absence, a Director from amongst the Board members appointed shall preside as Chairman of the meeting.
- 11.1.4 Board members are required to attend the Board meetings and attendance of each individual Director in the meetings held in a financial year is required to be disclosed in the Annual Report.
- 11.1.5 Any Director who has a direct or deemed interest in the subject matter to be deliberated, must abstains from deliberation and voting on the same during the meeting.
- 11.1.6 Other senior officers may be invited to attend for particular items within their responsibility. The Board may also invite external parties such as the auditors, solicitors and consultants as and when the need arises.
- 11.1.7 Additional formal business is dealt with as required, whether by physical, videoconferencing or telephonic meetings, as well other electronic meetings allowed under the laws or the Company's Constitution.
- 11.1.8 All resolutions, attendance, transactions quorums and votes obtained through electronic means shall be deemed valid and effective unless it contravenes the requirements of relevant statutes and regulations.
- 11.1.9 In accordance with the Constitution of the Company, the Directors may participate at a meeting of the Directors by means of telephone and video conference or by other means of communication. The physical presence of Director(s) is not compulsory and participation at the meeting in the aforesaid manner shall be deemed to constitute presence in person at such meeting. The Directors participating at

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any such meeting shall be counted in the quorum for such meeting. All resolutions agreed upon by the Directors at such a meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the Directors duly convened and held. All information and documents must be made equally available to all participants prior to, at, or during the meeting.

**11.2 Agenda**

11.2.1 The notice of a Directors' meeting shall be given in writing at least seven (7) days prior to the meeting except in the case of an emergency.

11.2.2 The agenda shall include, amongst others, matters specifically reserved for the Board's decision. The Board shall record its deliberation, in terms of the issues discussed, and the conclusions thereof in discharging its duties and responsibilities.

**11.3 Meeting Papers**

11.3.1 Board papers and agenda items are to be circulated at least five (5) business days prior to the meeting.

**11.4 Minutes**

11.4.1 The Board shall record its deliberation, in terms of the issues discussed, including any dissenting views and if any Director had abstained from voting or deliberation on a particular matter, and the conclusion thereof in discharging its duties and responsibilities. The minutes of Board meetings shall be prepared in a timely manner.

**11.5 Access to Information and Independent Professional Advice**

11.5.1 All Directors (executive and non-executive) have the same right of access to all information within the Group whether as a full board or in their individual capacity, in furtherance of their duties and responsibilities as Directors of the Company, subject to a formal written request to the Chairman furnishing satisfactory and explicit justification for such request.

11.5.2 All Directors shall have access to the advice and services of the Company Secretary. The Board shall recognise that the Chairman is entitled to the strong and positive support of the Company Secretary in ensuring the effective functioning of the Board.

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11.5.3 The Board or in their individual capacity, in furtherance of their duties, shall be able to obtain an independent professional advice at the Company's expenses.

## **12 Company Secretary**

12.1 The appointment and removal of the Company Secretary is a matter for the Board as a whole.

12.2 The Company Secretary shall be suitably qualified, competent and capable of carrying out the duties required of the post.

12.3 The key role of the Company Secretary shall include:

- advising the Board on matters related to corporate governance and AMLR;
- advise the Board on implementation of the Malaysian Code on Corporate Governance;
- monitor compliances with the principles and best practices of the Code and inform the Board of any breaches;
- advise the Board on its role and responsibilities;
- notify the Chairman of any possible violations of legal and regulatory acts;
- ensure the meeting flows effectively;
- assist the Board in ensuring a smooth administration of the appointment of new directors;
- ensure compliance with the procedure for conducting meetings and safekeeping of their duties
- provide unhindered advice and services for the Directors, as and when the need arises;
- enhance the effective functioning of the Board;
- ensure regulatory compliance;
- advise the Board on its obligatory requirements to disclose material information to the shareholders and financial markets on a timely basis;
- preparing agendas and coordinating the preparation of the Board papers in a timely and effective manner;
- ensuring that Board procedures and applicable rules are observed;
- maintaining records of the Board and ensure effective management of organisation's records;
- preparing comprehensive minutes to document Board proceedings and ensure conclusions are accurately recorded;

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- facilitate the orientation of new directors and assist in director training and development;
- ensure availability of information required by new directors for the proper discharge of their duties;
- assisting the communications between the Board and Management;
- providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time; and
- serve as a focal point for stakeholders' communication and engagement on corporate governance issues.

### **13 Board Committees**

13.1 The Board reserves the right to establish Committees from time to time in the discharge of its duties and responsibilities.

13.2 Where a Committee is formed, specific terms of reference of the Committee would be established to serve as a guidance note which covers matters such as the purpose, composition and functions of the Committee.

13.3 A number of standing committees with written terms of reference has been established namely the following:

a) **Audit Committee (“AC”)**

The AC assists and supports the Board's responsibility of overseeing the Group's operation by providing a means for review and monitoring of the integrity of the Group's financial reporting processes, internal control system, its audit process as well as compliance with legal and regulatory matters, its own code of business conduct and such other matters that may be specifically delegated to the AC by the Board from time to time. The AC reviews the quarterly interim financial reports, unaudited and audited financial statements, internal and external audit reports as well as related party transactions. Hence, the AC shall provide assurance to the Board with quality and reliable financial information and are responsible for the accuracy and integrity of the Group's financial reporting.

b) **NC**

The NC oversees matters relating to the nomination of new Directors, annually reviews 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

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contribution of each individual Director as well as identify candidates to fill board vacancies, and nominating them for approval by the Board.

c) **Remuneration Committee (“RC”)**

The RC is primarily responsible for recommending to the Board the remuneration packages of Executive Vice Chairman, MD, Executive Directors, Non-Executive Directors and C-level executive officers in all its forms, drawing from outside advice if necessary. Part of the role of the RC is to advise the Board on the remuneration policies and practices generally and the remuneration arrangements were deemed as appropriate. The remuneration of Executive Directors shall be recommended by the RC with the individual Director concerned abstaining from discussing his individual remuneration. The amount of remuneration payable shall be determined with reference to corporate and individual performance of Executive Directors.

d) **Risk Management Committee (“RMC”)**

The RMC oversees the identification, monitoring and control of all risks faced by the Group. The RMC also responsible for reviewing and recommending risk management policies and strategies for the Group and assists the Board in fulfilling its oversight responsibility in risk management.

Although the Board has granted discretionary authority to these committees to deliberate and decide on certain operational matters as set out in their respective Terms of Reference, the ultimate responsibility for final decision on all matters lies with the Board.

#### **14 Remuneration levels of Directors and C-level executive officers**

14.1 The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors and C-level executive officers needed to run the Company successfully taking into consideration all relevant factors including the function, workload and responsibilities involved, but without paying more than is necessary to achieve this goal.

14.2 The level of remuneration for the MD, Executive Director and C-level executive officers is recommended by the RC to the Board after giving due consideration to the compensation levels for comparable positions among other similar Malaysian public listed companies.

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14.3 In fixing the remuneration to be paid to Non-Executive Directors (“NED”) who are serving on the Board and on Committees of the Board, the Board will consider the following:

- The compensation that is paid to NED of other companies which are comparable in size to the Group.
- The amount of time it is likely NED will be required to devote in preparing for and attending meetings of the Board and the Committees on which they serve.
- The success of the Company (which may be reflected in compensation related to the price of the Company’s shares).
- If a Committee on which a NED serves undertakes a special assignment, the importance of that special assignment to the Group and its shareholders.
- The risks involved in serving as a NED and a member of Board Committees.

14.4 Fees payable to non-executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.

14.5 There is adequate disclosure in the annual report with note on the remuneration of Directors.

## **15 Corporate Governance**

15.1 The Board upholds the three (3) principles of good corporate governance, which are:

- board leadership and effectiveness
- effective audit and risk management; and
- integrity in corporate reporting and meaningful relationship with stakeholders.

15.2 The Board is collectively responsible for the long-term success of a Company and the delivery of sustainable value to its stakeholders. In discharging its fiduciary duties and leadership functions, the Board sets the strategic direction of the Group while exercising oversight on management.

15.3 The Board also oversees that the risks associated in achieving its objectives are mitigated and managed.

15.4 The Board ensure that the Group’s sustainability strategies, priorities and targets are communicated to its internal and external stakeholders.

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## **16 Accountability and Audit**

### **16.1 Financial Reporting**

- 16.1.1 Each quarter, the Board shall receive a detailed performance review in the form of Quarterly Interim Financial Report from the Chief Financial Officer prior to Board Meeting is being held and shall review and deliberate the Quarterly Financial Results at the Board Meeting. The Chairman shall regularly communicate with the Executive Directors to review key issues and performance trends.
- 16.1.2 The Board aims to present a clear and balanced assessment of the Group's financial position and future prospects that extends to the annual and quarterly reports.
- 16.1.3 The Board ensures that the annual and interim financial statements are prepared so as to give a true and fair view of the current financial status of the Group in accordance with the approved accounting standards.

### **16.2 Non-Financial Reporting**

- 16.2.1 The Board reviews the strategic plan, approves the annual budget and monitors the Group's performance against them. Initiatives have included disciplined growth strategies, capital management, cost efficiencies and other aspects of operational improvement programs.

### **16.3 Company Auditors**

- 16.3.1 The Board has established formal and transparent arrangement for considering how financial reporting and internal control principles will be applied and for maintaining an appropriate relationship with the Company auditors through the AC.
- 16.3.2 The AC also keeps under review the scope and results of the audit and the independence and objectivity of the Company auditors. The AC ensures that the Company auditors do not supply a substantial volume of non-audit services to the Company and the Group and any practice that departs from this has to be disclosed in the AC Report.

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#### **16.4 Internal Controls and Risk Management**

- 16.4.1 The Board has overall responsibility maintaining a system of internal controls, which provides reasonable assurance of effective and efficient operations and compliance with laws and regulations as well as with internal policies and procedures.
- 16.4.2 The Group has a well-resourced internal audit function, which critically reviews all aspects of the Group's activities and its internal controls. Comprehensive audits of the practices, procedures, expenditure and internal controls of all business and support units and subsidiaries are undertaken on a regular basis. The outsourced internal auditors has direct access to the Board through the Chairman of the AC.
- 16.4.3 The Board ensures the system of internal controls is reviewed on a regular basis by the AC.
- 16.4.4 The AC receives reports regarding the outcome of such reviews on a regular basis.

#### **17 The Board's Relationship with Shareholders and Stakeholders**

- 17.1 The Board shall maintain an effective communications policy that enables both the Board and Management to communicate effectively with its shareholders, stakeholders and the general public.
- 17.2 It is the role of the Board to ensure that the general meetings of the Company are conducted in an efficient manner and serves as a crucial mechanism in shareholder communications. Key ingredients behind this include the supply of comprehensive and timely information to shareholders and the encouragement of active participation at the general meetings.
- 17.3 The Board will focus its efforts on the following best practices to enhance the effectiveness of the general meeting:
- ensure that each item of special business included in the notice to be accompanied by a full explanation of the effects of the proposed resolution;
  - for election and re-election of Directors, ensures that the notice of meeting state which Directors are standing for election with a brief description to include matters such as age, relevant experience, list of directorships, date of appointment to the Board, details of participation

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- in board committee and the fact that a particular Director is independent;
- ensure that the Chairman provides reasonable time for discussion at the meeting. Where appropriate and if required, the Chairman will also undertake to provide written answer to any significant question which cannot be answered immediately;
  - conduct a business presentation with a question and answer session, where appropriate and if required;
  - ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the Board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders will be made visible to all meeting participants during the meeting itself; and
  - ensure minutes of general meeting published on Company's website no later than 30 business days after general meeting.
- 17.4 The Board shall appoint an experience senior personnel (not necessary a member of the Board) and/or an external experienced communications consultant company to represent the Company in investor relations. The Board also observe the disclosure and communication guidelines for this purpose.
- 17.5 The Communication with shareholders, stakeholders and the general public can be achieved through:
- establishing an investor relations function;
  - conducting engagement forums;
  - organising investor, analyst and media briefings; and
  - use of electronic means such as website, social media platforms
- 17.6 The MD shall take responsibility for communicating and addressing queries from shareholders, stakeholders, analysts and press at all times. Having said that, the chair of respective committees shall also provide meaningful response to questions addressed to them at general meeting.
- 17.7 The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Group and adopts an open and transparent policy in respect of its relationship with its shareholders and investors.
- 17.8 The Board ensures the timely release of financial results on a quarterly basis to provide shareholders and analysts with an overview of the Group's

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performance and operations in addition to the various announcements made during the year.

17.9 The Company's website, [www.unitrade.com.my](http://www.unitrade.com.my) provides easy access to corporate information pertaining to the Group and its activities and is continuously updated.

## **18 Induction Process**

18.1 The objective of the induction process is to provide Directors with a rapid and clear insight into the Group as well as keeping them abreast with development in the marketplace pertaining to the oversight function of Directors. This will enable the Directors to discharge their duties and responsibilities effectively.

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

- furnishing of a copy of the previous board minutes for at least the past six (6) months; the business/strategic plan, pertinent Management reports; profile of key competitors and significant reports by management consultants on areas of board responsibilities;
- UIB's Code of Conduct;
- UIB's Anti-Bribery and Anti-Corruption Policy;
- UIB's Whistleblowing Policy;
- visits to key sites; and
- a formal one (1) to two (2) day induction programme, including the elements above, and also presentations from various divisions on their strengths, weaknesses and ambitions.

## **19 Directors' External Commitments and Conflict of Interest**

19.1 The Company's Constitution stipulate that a Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare his interest in accordance with the provisions of the Companies Act 2016. The Director concerned shall not participate in deliberations and shall abstain himself from voting in any matter arising thereof.

19.2 Should there be an actual, potential or perceived conflict of interest between the Company/Group or a related corporation and a Director, or an associate of a Director such as a spouse or other family members, or a related company, the Director involved shall make full disclosure and act honestly in the best interest of the Company.

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19.3 An actual, potential or perceived conflict of interest shall not necessarily disqualify an individual Director from the Board provided that full disclosure of the interest has been made in good faith and with due honesty.

19.4 For the purpose of the above-mentioned paragraphs, the directors shall perform an annual self-declaration on independence (in respect of those who are Independent Directors) and conflict of interest for the Group's records.

## **20 Indemnities and insurance**

20.1 The Company shall provide directors with, and will pay the premiums for, indemnity and insurance cover while acting in their capacities as directors.

## **21 Directors' training**

21.1 Directors are required to undergo the mandatory accreditation programme under the auspice of Bursa Malaysia Securities Berhad. In addition, Directors are required to attend relevant training courses or seminars at periodic intervals to keep themselves updated on developments pertaining to the oversight function of Directors as well as technical matters. The NC shall decide on the continuous education training programme for Directors.

21.2 All trainings attended by Directors shall be disclosed in the Annual Report. In special circumstances, valid justifications for non-attendance at any training by Directors for the financial year shall also be disclosed.

## **22 CORPORATE DISCLOSURES**

The Board shall have relevant corporate disclosure policies and procedures to ensure comprehensiveness, accuracy and timeliness of information disclosed. These policies and procedures shall ensure compliance with the relevant disclosure requirements as enumerated in the AMLR.

The Company shall consider the use of information technology in communicating with stakeholders, including a dedicated section for Investor Relations on the Company's website. This section shall provide information such as, amongst others, the Board Charter, Term of Reference of the Committee and the Annual Report of the Company.

The Board appoints the MD to speak on behalf of the Group and to manage the communication of information to investors, other stakeholders and the public in an orderly and effective manner while adhering, at all times, to relevant laws and regulatory requirements.

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**23 Whistle-Blowing Policy**

To enhance corporate governance practices across the Group, a whistle-blowing policy was adopted which provides Directors, officers, employees and stakeholders of the Group with an avenue to report suspected improprieties such as illegal or unlawful conduct, contravention of the Group's policies and procedures, acts endangering the health or safety of any individual, public or employee, and any act of concealment of improprieties.

The aim of this policy is to encourage the reporting of such matters in good faith, with the confidence that the person filing the report, to the extent possible, be protected from reprisal, victimisation, harassment or subsequent discrimination.

The Board shall ensure a sustainable anti-corruption and anti-bribery programme be implemented in the Company and the Group, which includes compliance with the Anti-Bribery and Anti-Corruption Policy and assign adequate resources to implement the said programme.

**24 Anti-Bribery and Anti-Corruption Policy**

The Board shall ensure a sustainable anti-corruption and anti-bribery programme be implemented in the Company and the Group, which includes compliance with the Anti-Bribery and Anti-Corruption Policy and assign adequate resources to implement the said programme. The Anti-Corruption Policy is available at the Group website, [www.unitrade.com.my](http://www.unitrade.com.my)

**25 Code of Conduct and Ethics**

The Board has formalised Code of Conduct and commit to ethical values through the maintenance of a code of conduct and ethics and ensure the implementation and compliance with the code of conduct and ethics.

**26 Review and Approval**

This Charter and all Board Committee Charters and Policies shall be periodically reviewed and updated based on the prevailing regulatory promulgations. This Charter may be amended by the Board as it deems appropriate to ensure its relevance and effectiveness.

This Charter is reviewed and approved by the Board of Directors on [date].