

## **BOARD CHARTER**

### **1. INTRODUCTION**

The Board of Directors (“Board”) of Betamek Berhad (the “Company”) recognises that good corporate governance practices and culture are the Company’s keys to the success, sustainability and survival in the ever changing social, economic and political eco-systems in the business environment locally and globally. The Board is, therefore, fully committed to applying the necessary principles to ensure good corporate governance is practiced throughout the Company and its subsidiary (the “Group”) in all its business dealings in respect of its shareholders and other stakeholders.

### **2. PURPOSE OF THE BOARD CHARTER**

This Board Charter sets out the key corporate governance principles for operations of the Board of the Company and its subsidiary and describes the functions of the Board and those functions delegated to Management of the Company.

The Board shoulders the ultimate responsibility of determining the direction of the Group, thereby ensuring the long-term success of the Group and the delivery of sustainable value to its stakeholders. The Board provides thought leadership and advice in fine-tuning corporate strategies, championing good governance and ethical practices, and ensures the effective execution of these strategies. 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 (“Bursa Securities”) (“AMLR”) on corporate governance, certain aspects of the Company’s Constitution and relevant sections 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 regards to the role of the Board and its committees. This Board Charter does not overrule or preempt the statutory requirements and other relevant statutes. This Board Charter shall form an integral part of each Director's duties and responsibilities.

### **3. BOARD STRUCTURE**

#### **3.1 Composition of the Board**

- 3.1.1 The Board consists of qualified individuals with diverse skills set, competencies, extensive experiences and knowledge that are necessary and relevant to understand properly and deal with the current and emerging issues of the Group's business operations. Thus, the Board acknowledges the importance of gender diversity and does not set a restriction on having female director(s) on board. The composition and size of the Board is such that it facilitates the decision making of the Company.
- 3.1.2 The number of directors shall not be less than two (2) nor more than nine (9) as set out in the Company's Constitution.
- 3.1.3 The Board shall be helmed by a Chairman, appointed by the Board, and comprises at least two (2) members or one-third (1/3) of the Board, whichever is higher, who are Independent Directors and one (1) member is a woman in accordance with Rule 15.02 of the AMLR.
- 3.1.4 In the event of any vacancy in the Board, resulting in non-compliance with Paragraph 3.1.3 above, the Company must fill the vacancy within three (3) months.
- 3.1.5 An Independent Director is one who is independent from management, free from any relationship or any transactions, which may interfere with their independent judgement, experience and objectivity without being subordinated to operational considerations or the ability to act in the best interest of Company and are willing to express his/her opinion at the Board meetings free of concern about their position or position of any third party.

- 3.1.6 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 positions of Chairman and the Chief Executive Officer (“CEO”) and/or Managing Director (“MD”) are held by different individuals.
- 3.1.7 The Director shall notify the Board’s Chairman before he/she accepts any new directorships. Each Board member must not hold more than five (5) directorships in listed issuers.

### **3.2 Appointments**

- 3.2.1 New Directors are expected to have such expertise so as to qualify them to make a positive contribution to the Board performance of its duties and to give sufficient time and attention to the affairs of the Company.
- 3.2.2 The appointment of a new Director is a matter for consideration and decision by the Board upon appropriate recommendation from the Nomination and Remuneration Committee. Further, identifying candidate(s) 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 candidate(s). It is of essence of the Board to ensure high levels of professional skills and appropriate personal qualities are pre-requisites for such nominee(s).
- 3.2.3 The criteria for the recruitment or appointment of Director is guided by fit and proper assessment by the Nomination and Remuneration Committee.
- 3.2.4 In the case of candidates for the position of Independent Non-Executive Directors, the Nomination and Remuneration Committee should also evaluate the candidates’ ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.
- 3.2.5 Annual assessment on the effectiveness of the Board, Board Committees and Individual Director will be carried out with the objective to draw the attention of the Board key areas that need to be improved.

### **3.3 Re-election**

- 3.3.1 Pursuant to the Company's Constitution, an election of Directors shall take place each year where 1/3 of the Directors or if their number is not 3 or a multiple of 3, then the number nearest to 1/3, shall retire by rotation from office and shall be eligible for re-election at each annual general meeting and that each Director shall retire from office at least once in every three (3) years and shall be eligible for re-election.
- 3.3.2 The Directors to retire in each year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire (unless they otherwise agree among themselves) be determined by lot.
- 3.3.3 Any new or additional Director appointed by the Board during the year shall hold office until the next annual general meeting and shall then be eligible for re-election.

### **3.4 Tenure as Independent Director**

- 3.4.1 The tenure of an Independent Director shall not exceed a cumulative term of twelve (12) years. However, upon completion of the nine (9) years, an Independent Director may continue, to serve on the Board subject to the Directors' re-designation as a Non-Independent Director. In the event the Board intends to retain the Independent Director as an Independent Director beyond nine (9) years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.
- 3.4.2 An Independent Director who has served for a cumulative term of more than twelve (12) must resign or be re-designated as a Non-Independent Director.
- 3.4.3 The Board through the Nomination and Remuneration Committee assesses the independence of the Directors annually.

#### **4. COMPANY SECRETARY**

- 4.1 The appointment and removal of the Company Secretary is a matter for the Board, as a whole. The Company Secretary, who is/are accountable to the Board, shall be suitably qualified, competent and capable of carrying out the duties required of the post.
- 4.2 The key roles of the Company Secretary shall include amongst others the following:-
- 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;
  - 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.
- 4.3 The Company Secretary must keep abreast of, and inform, the Board of current governance practices.

## **5. BOARD COMMITTEES**

- 5.1 The Board has delegated certain functions to certain Committees with each operating within its clearly defined terms of reference. The Chairman of the various Committees will report to the Board on the outcome of the Committee meetings.
- 5.2 The Board reserves the right to establish Committees from time to time in the discharge of its duties and responsibilities.
- 5.3 The Board has established the following Committees with its written terms of reference to assist the Board in the execution of its duties:
- (i) Audit and Risk Management Committee
  - (ii) Nomination and Remuneration Committee
- 5.4 The duties and responsibilities of Audit and Risk Management, Nomination and Remuneration Committees are set out in the respective terms and reference of each Committee which are reviewed from time to time.
- 5.5 The Chairman of the relevant Board Committees will report to the Board on the key issues deliberated by the Board Committees at the Board meetings.
- 5.6 The Board may also delegate specific functions to ad-hoc committees as and when need dictates

## **6. ROLES AND RESPONSIBILITIES OF BOARD**

The Board is collectively responsible for the proper stewardship of the business of the Group and the creation of long-term success of Company as well as the delivery of sustainable value to its stakeholders.

To enable the Board to discharge its responsibilities in meeting the goals and objectives of the Company, the Board should, among others:-

- (i) exercise care and diligence;
- (ii) act in good faith in the best interests of the Company;
- (iii) not improperly use his/her position or misuse information of the Company; and
- (iv) commit the time necessary to discharge effectively his/her role as a Director.

## **6.1 Role of the Board**

- 6.1.1 Establish the organisation's values, vision, mission and strategies.
- 6.1.2 Provide guidance to Senior Management in developing corporate strategy.
- 6.1.3 Reviewing and set up the Group's strategic plan and direction.
- 6.1.4 Review and agree the business (action) plans and annual budget proposed by the Executive management team.
- 6.1.5 Monitor the achievement of the strategic and business plans and annual budget.
- 6.1.6 Promote better investors relations and shareholder communications.
- 6.1.7 Ensure that the Group's core values, vision and mission and shareholders' interest are met.
- 6.1.8 Establish such committees, policies and procedures as appropriate, compliance obligation and functions are effectively discharged.
- 6.1.9 Arrange for Directors to attend courses, seminars and participate in development programs as the Board judges appropriate.
- 6.1.10 Ensure that all significant systems and procedures are in place for the organization to run effectively, efficiently, and meet all legal and contractual requirements.
- 6.1.11 Ensure that all significant risks are adequately considered and accounted for by the Executive management team.
- 6.1.12 Ensure that organization has appropriate corporate governance in place including standards of ethical behaviour and promoting a culture of corporate responsibility.
- 6.1.13 Approving specific items of capital expenditure and investments, acquisitions and divestments and any significant initiatives or opportunities that arise outside the annual planning and budgeting process.
- 6.1.14 Approving and monitoring major projects including corporate restructuring/re-organization.
- 6.1.15 Overseeing the conduct and performance of the Company and subsidiaries to ensure that they are being properly and appropriately managed.
- 6.1.16 Appointing Directors to the Board.
- 6.1.17 Approving the quarterly, full-year financial statements and annual report.
- 6.1.18 Recommending the interim and final dividends to shareholders, where applicable.
- 6.1.19 Reviewing and monitoring all related party transactions to identify whether consideration should be given to seeking shareholders' approval.

## **6.2 Role of Chairman**

- 6.2.1 Leading the Board in setting the values and standard of the Company.
- 6.2.2 Overseeing the effective discharge of the Board's supervisory role.
- 6.2.3 Facilitating the effective contribution of all Directors.
- 6.2.4 setting the board agendas and ensuring the provision of complete accurate, timely and clear information to Directors.
- 6.2.5 Leading the Board's function, meetings and discussions.
- 6.2.6 Briefing all the Directors in relation to issues arising at meetings and encouraging active participation and allow dissenting views to be freely expressed.
- 6.2.7 Ensuring effective communication with shareholders and relevant stakeholders and that their views are communicated to the Board as a whole.
- 6.2.8 Scheduling regular and effective evaluations of the Board's performance.
- 6.2.9 Promoting constructive and respectful relations between Board members and between the Board and the Management.
- 6.2.10 leading the Board in adoption and implementation of good corporate governance practices in the Group; and
- 6.2.11 ensuring the general meetings support meaningful engagement between the Board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the Company's financial and non-financial performance as well as the Company's long-term strategies.

## **6.3 Role of Deputy Chairman**

- 6.3.1 Assists the Chairman in conducting meeting in his or her absence.
- 6.3.2 Ensures there is a strong relationship between the Board and Chairman.
- 6.3.3 Promotes constructive dialogues between Non-Executive and Executive Directors.
- 6.3.4 Provides assistance and support to the Chairman during meetings.
- 6.3.5 Ensures the Board and Chairman are communicating well with stakeholders.



**6.4 Role of Chief Executive Officer/Managing Director**

6.4.1 The position of the CEO/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 operation.

6.4.2 The CEO/MD, in association with the Chairman, is accountable to the Board for the achievement of the Group's mission, goals and objectives and the CEO/MD is accountable to the Board for the observance of management limitations.

6.4.3 The responsibility of the CEO/MD shall be stated in an agreed job description and generally, the CEO/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;
- develop long-term strategic and short-term profit plans;
- assessing business opportunities which are potential benefit to the Company;
- set, review and ensure compliance with the Company's value;
- direct and control all aspects of the business operations;
- effectively oversee the human resources of the Group with respect to key positions in the Group's hierarchy;
- 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;
- 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 Group Chief Financial Officer;
- 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 CEO/MD can delegate appropriate functions to the Senior Management, who shall report to the CEO/MD.

- 6.4.4 Ensure management of day-to-day business affairs, continuous improvement and development, implementation and achievement of corporate policies and strategies sanctioned by the Board.
- 6.4.5 Ensure that the Company has an effective management team and structure, management development program and succession plans.
- 6.4.6 Ensure that effective internal controls and governance measures are deployed.
- 6.4.7 Keep Board fully informed of all important aspects of the Group's operations and ensuring information is distributed to the Board members.
- 6.4.8 Develop and maintain effective relations with significant external agencies such as regulatory bodies, government agencies, investing public and other trade associations and institutions.

## **6.5 Role of Executive Directors**

- 6.5.1 The Executive Directors are involved in leadership roles overseeing the day-today operations and management within their specific areas of expertise or assigned responsibilities. They are also responsible for implementing strategic plans and policies set by the Board and to assist CEO/MD in discharging his duties.
- 6.5.2 They represent the Company at the highest level and are decision makers on matters within their scope. They liaise frequently with the CEO/MD and with each other to lead the management to drive the Company forward.

## **6.6 Role of Independent Non-Executive Director**

The role of Independent Directors is to constructively challenge and help develop proposals on strategy include, inter alia:

- 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 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, sustainability issues relevant to the Group and its business, including climate-related risks and opportunities, market development and trends and enable them to sustain their active participation in board deliberation;
- act as a channel of communication between 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; and
- ensure that there are adequate systems, controls and check and balance to safeguard the interests of the Company and all stakeholders.

## **7. BOARD PROCEDURES**

### **7.1 Board Meetings**

- 7.1.1 The Board may meet together for the despatch of business, adjourn and otherwise regulate their meetings, at least four (4) times a year on a quarterly basis or more frequently as deemed necessary by the Chairman of the Board. The Chairman may call for additional meetings at any time at the Chairman's discretion.
- 7.1.2 All Directors must meet the minimum 50% attendance requirement imposed by the Listing Requirements.

7.1.3 Other Senior Management may be invited to attend for particular items within their responsibility. The Board may also invite external parties such as auditors (both internal and/or external auditors), solicitors or consultants as and when the need arises. Such invited parties may attend part or all of the Board Meeting at the discretion of the Board.

## **7.2 Minutes and Resolutions**

7.2.1 Proceedings of all meetings are minuted and signed by the Chairman of the meeting. Minutes of all Board meetings are circulated to the Directors and approved by the Board at the subsequent meeting. Directors' Circular Resolutions signed by a majority of the Directors are as valid and effectual as if the resolutions had been passed at the meeting of the Directors. The minutes of all Board meetings and resolutions are to be recorded in the Company's minutes book kept by the Company Secretary and shall be open for inspection by the Board. Any request by Management or other persons to inspect the minutes shall be subject to the approval of the Board.

## **7.3 Notice and Board Papers**

7.3.1 The notice of Board meetings shall be issued at least seven (7) days prior to the meeting either by post or email.

7.3.2 The Board paper and agenda items shall be circulated at least five (5) days prior to the meeting in similar manner as stated herein.

7.3.3 Minutes prepared following the Board meeting will be circulated in draft form.

7.3.4 The draft minutes will be re-circulated with the Board papers in readiness for signing at the following meeting. Issues discussed in arriving at each Board's decision shall be recorded.

## **7.4 Access to Information**

All Directors (executive and non-executive) collectively or individually may seek the advice and services of the Company Secretary and Senior Management staff in the Group and may obtain independent professional advice at the Company's expense through an agreed procedure laid down formally in the furtherance of their duties so as to ensure that the Directors able to make independent and informed decision.

## **8. THE BOARD'S RELATIONSHIP WITH SHAREHOLDERS AND STAKEHOLDERS**

- 8.1 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.
- 8.2 It is the role of the Board to ensure that the general meetings of the Company are conducted in an efficient manner and serve as a principal forum for dialogue with the shareholders. Key ingredients behind this include the supply of comprehensive and timely information to shareholders and the encouragement of active participation at the general meetings.
- 8.3 The Board will focus its efforts on the following best practices to enhance the effectiveness of the general meetings:-
- 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 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 minutes of general meeting published on Company's website no later than thirty (30) business days after general meeting.
- 8.4 The CEO/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 meetings.

- 8.5 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.
- 8.6 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 performance and operations in addition to the various announcements made during the year.
- 8.7 The Group's website, <https://betamek.com.my/>, provides easy access to corporate information pertaining to the Group and its activities and is continuously updated.

## **9. INDUCTION PROCESS AND DIRECTORS' TRAINING**

- 9.1 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 market place pertaining to the oversight function of Directors. This will enable the Directors to discharge their duties and responsibilities effectively.
- 9.2 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;
  - visits to key sites; and
  - a formal one (1) to two (2) days induction programme, including the elements above, and also presentations from various divisions on their strengths, weaknesses and ambitions.
- 9.3 All new Directors appointed to the Board shall participate in the Mandatory Accreditation Programme pursuant to the AMLR under the auspices of Bursa Securities, if he/she has not attended before, and undertake an induction program facilitated by the Management to assist them in fulfilling their duties and responsibilities.

- 9.4 Directors are expected to undertake any necessary professional education or training programme or seminars at periodic intervals to enhance their skills and knowledge on relevant new laws and regulations and to keep abreast with the changing business environment within which the Group operates so as to enable them to discharge their duties.
- 9.5 The Board assisted by the Nomination and Remuneration Committee, shall on the continuous basis assess, evaluate and determine the training needs of the Directors and disclose in the annual report the trainings attended by the Directors. In exceptional circumstances, valid justification for non-attendance at any training by Directors for the financial year shall also be disclosed.

#### **10. DIRECTORS' EXTERNAL COMMITMENTS AND CONFLICT OF INTEREST**

- 10.1 The Company's Constitution stipulates that a Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare his/her interest in accordance with the provisions of the Companies Act 2016. The Director concerned shall not participate in deliberations and shall abstain himself/herself from voting in any matter arising thereof.
- 10.2 Should there be an actual, potential or perceived conflict of interest between the Company 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.
- 10.3 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.
- 10.4 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.

**11. ANTI-BRIBERY AND CORRUPTION POLICY**

The Board is committed to conducting its business ethically and in compliance with all applicable laws and regulations and thus shall uphold a zero tolerance approach to all forms of bribery and corruption in accordance with but not limited to Malaysian Anti-Corruption Commission Act (MACCA) 2009 and its amendments.

**12. 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 Listing Requirements.

The Board shall ensure the Company leverages on information technology in communicating with stakeholders, including a dedicated section for Investor Relations on the Company's website, for effective dissemination of information and easy access to corporate information pertaining to the Company and its activities. The website should continuously be updated to provide the latest information such as the Board Charter, terms of references and the Annual Report of the Company.

**13. INDEMNITIES AND INSURANCE**

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

**14. REVISION AND UPDATES**

The Board Charter shall be assessed, reviewed and updated regularly to ensure it remains consistent with the Board's objectives and responsibilities or as and when there are changes to the AMLR of Bursa Securities, MCGG or any other regulatory requirements that may have an effect on the Board's responsibilities.

**15. APPROVAL**

The Board Charter is approved by the Board of the Company on 21 March 2022.