

**NAIM INDAH CORPORATION BERHAD**  
**(Company No. 19727-P)**  
**(Incorporated in Malaysia)**

**BOARD CHARTER**

**1. OVERVIEW**

The Board of Directors (the “Board”) of Naim Indah Corporation Berhad (the “Company”) collectively leads and is responsible for the success of the Company and its subsidiaries (the “Group”) by providing entrepreneurial leadership and direction as well as supervision of the management. The Board is the ultimate decision making body.

The Board Charter sets out the composition, roles and responsibilities of the Board.

**2. BOARD STRUCTURE**

**2.1 Board Balance and Mix**

- The number of Directors shall not be less than two (2) nor more than fifteen (15) as set out in the Company’s Articles of Association.
- In accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company must ensure that at least two (2) Directors or one-third (1/3) of the Board of the Company, whichever is the higher, are Independent Directors. If the number of Directors of the Company is not three (3) or a multiple of three (3), then the number nearest one-third (1/3) must be used.
- All newly appointed Directors shall retire and be re-elected by the shareholders at the next Annual General Meeting of the Company and shall then be eligible for re-election.

**2.2 Tenure of Directors**

- Pursuant to the Company’s Articles of Association, at every Annual General Meeting of the Company, one-third (1/3) of the Directors or if their number is not a multiple of three, then the number nearest to one-third (1/3) shall retire from office provided always that all Directors shall retire from office once at least in each three (3) years. An election of Directors shall take place each year. A retiring Director shall retain office until the close of the meeting at which he retires.
- The Directors to retire in every 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 to those retire shall (unless they otherwise agree among themselves) be determined by lot.

- Any Director appointed by the Board during the financial year shall hold office only until the next Annual General Meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the number of directors who are to retire by rotation at such meeting.

### 2.3 Company Secretary

- 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 be suitably qualified and capable of carrying out the duties required.

### 2.4 Board Committee

- As part of its efforts to ensure the effective discharge of its duties, the Board has delegated certain functions to certain Committees with each operating within its clearly defined terms of reference.
- The Board has established the following Committees to assist the Board in fulfilling its duties and responsibilities:-
  - i) Audit Committee
  - ii) Nomination Committee
  - iii) Remuneration Committee
- The Chairman of the respective Committees reports to the Board on the outcome of the Committee meetings and such reports are included in the Board papers.

### 2.5 The Board's Relationship with Shareholders

- The Board will maintain an effective communications policy that enables both the Board and Management to communicate effectively with shareholders and the general public through General Meetings and Public Announcements.
- The Board will ensure that the General Meetings of the Company are conducted in an efficient manner and serve as a mode in shareholders communications. These include the supply of comprehensive and timely information to shareholders and the encouragement of active participation at the General Meetings.

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

### 3.1. Role of Board

- The functions of the Board are to:-
  - i) Develop, review and monitor the Group's strategic plan and direction and ensure that resources are available to meet its objectives.

- ii) Identify and review principal risks and ensure the implementation of appropriate systems to manage these risks.
- iii) Supervise the operations of the Group to evaluate whether established targets are achieved.
- iv) Monitor the compliance with legal, regulatory requirements and ethical standards.
- v) Promote better investor relations and shareholder communications.
- vi) Ensure that the Group's core values, vision and mission; and shareholders' interests are met.
- vii) Review the adequacy and the integrity of the Group's internal control systems including systems for compliance with applicable laws, regulations, rules, directives and guidelines.
- viii) Establish such committees, policies and procedures to effectively discharge the Board's roles and responsibilities.
- ix) Initiate a Board self-evaluation program and follow up action to deal with issues arising and arrange for Directors to attend courses, seminars and participate in development programs as the Board deems appropriate.
- x) Implement and ensure that the Company has appropriate corporate governance structures in place including standards of ethical behavior and promoting a culture of corporate responsibility.

### 3.2. Role of Chairman and Chief Executive Officer

- The roles of the Chairman and Chief Executive Officer are strictly separated.
- The Chairman is responsible for:-
  - i) Leadership of the Board.
  - ii) Overseeing the effective discharge of the Board's supervisory role.
  - iii) Facilitating the effective contribution of all Directors.
  - iv) Conducting the Board's function and meetings.
  - v) Briefing all Directors in relation to issues arising at meetings.
  - vi) Scheduling regular and effective evaluations of the Board's performance.
  - vii) Promoting constructive and respectful relations between Board members and between the Board and the Management.
- The Chief Executive Officer is responsible for:-
  - i) Strategic business direction, plans and policies of the Group.
  - ii) The efficient and effective operation of the Group.
  - iii) Day-to-day management of the Group with all powers, discretions and delegations authorised, from time to time, by the Board.
  - iv) Bringing material matters to the attention of the Board in an accurate and timely manner.

### 3.3. Role of Committees

- The roles and responsibilities of Audit, Nomination and Remuneration Committee are set out in the terms and reference of each committee.

## 4. BOARD PROCESSES

### 4.1 Board Meetings

- Meetings will be conducted at least four (4) times in a financial year, although additional meetings may be called at any time at the Chairman's discretion.
- The quorum of Board Meeting is two (2) members, present in person.
- Proceedings of all meeting are recorded 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 approved by all of the Directors are as valid and effectual as if the resolutions had been passed at the meeting of the Directors. The resolutions are to be recorded in the Company's minutes book kept by the Company Secretary.
- Actions on all matter arising from any meeting are reported at the following meeting.
- The Board may 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 the entire Board meeting at the discretion of the Board.

### 4.2 Notices and Meeting Papers

- The notice of Board meeting shall be issued at least seven (7) days prior to the meeting.
- As a best practice and allow ample time for Directors to study and evaluate the matters to be discussed and subsequently make effective decisions, the Board paper and agenda items shall be circulated at least seven (7) days prior to the meeting.
- Minutes prepared following the Board meeting will be circulated in draft form. 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.

### 4.3 Access to information

- The Directors have unrestricted access to 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 in the furtherance of their duties.
- The Directors acknowledge that confidential information received in the course of exercising of the Board duties remains the property of the Group, whether it relates to the Group or another entity. It will not be disclosed unless either the Chairman of the Board has so authorised in writing or disclosure is required by law.

#### 4.4 Directors' Training

- The Directors are regularly updated by the Company Secretary on new statutory, corporate and regulatory developments relating to Directors' duties and responsibilities or the discharge of their duties as Directors of the Company.
- The Directors remain committed to undergoing further continuing education training programmes to upgrade and enhance their business acumen and professionalism in discharging their duties to the Group.

#### **5. REVIEW OF BOARD CHARTER**

- The Board Charter shall be reviewed by the Board annually to ensure its relevance in assisting the Board to discharge its duties with the changes in the corporate laws and regulations that may arise from time to time and to remain consistent with the Board's objectives and responsibilities.