

BOARD CHARTER OF KOMARKCORP BERHAD

1. Purpose of Charter

This Board Charter sets out the principles for the effective operation of the Board of Directors (“Board”) of Komarkcorp Berhad (“Komarkcorp” 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 the business and the affairs of the Company. The Company recognises the importance of the Board in providing a leadership and sound base for good corporate governance in the operations of the Company.

This Board Charter incorporates the Principles and Practices of the Malaysian Code on Corporate Governance 2017 (“MCCG 2017”), as considered appropriate, Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”) 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. Role of Board

- 2.1 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 business and affairs of a Company shall be managed by, or under the direction of the Board;
- 2.2 The Board has all the powers necessary for managing and for directing and supervising the management of the business and affairs of the Company subject to any modification, exception or limitation contained in the Companies Act 2016 or in the Constitution of the Company;
- 2.3 The Board shall ensure that Management has in place appropriate processes for risk assessment, management and internal controls and monitoring the Company’s performance against agreed benchmarks. The Board shall work with Senior Management as collaborators in advancing the interests of the Company;
- 2.4 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, executive officers and Group Chief Executive Officer (“Group CEO”) subject to an agreed authority limit;
- 2.5 The principal responsibilities of the Board including those adopted from the MCCG 2017 are among others:
 - identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
 - ensure there is a sound framework for internal controls and risk management;

- ensuring that Senior Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and Senior Management;
 - establishing and reviewing the policies and procedures on whistleblowing;
 - monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting;
 - ensuring that the Company's financial statements are true and fair and conform with the accounting standards;
 - monitoring and reviewing policies and procedures relating to occupational health and safety and compliance with relevant laws and regulations; and
 - ensuring that the Company adheres to high standards of ethics and corporate behaviour.
- 2.6 The Board should set the Company's strategic aims, ensure that the necessary resources are in place for the Company to meet its objectives and review management performance. The Board should set the Company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.
- 2.7 In overseeing the conduct of the Group's business, the Board shall ensure that an appropriate financial planning, operating and reporting framework as well as an embedded risk management framework is established. Elements under this combined framework include the Business Plan, the budget, financial statements, divisional strategic/performance reviews reports and risk management reports.

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

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

- 3.1 Appointment of Board members, Chairman and Company Secretaries;
- 3.2 Establishment of Board Committees, their membership and delegated authorities via terms of reference;
- 3.3 Approval of interim dividend and recommendation of final dividend for shareholders approval;
- 3.4 Appointment of the external auditor;
- 3.5 Conflict of interest issues relating to a substantial shareholder or a Director including approving related party transactions;
- 3.6 Material acquisitions and disposition of assets not in the ordinary course of business including significant capital expenditures;
- 3.7 Strategic investments, mergers and acquisitions and corporate exercises;
- 3.8 Risk management policies;
- 3.9 Corporate strategic plans;
- 3.10 Budgets;
- 3.11 Quarterly and annual financial statements for announcements;
- 3.12 Monitoring of operating performance; and
- 3.13 Review of the Financial Authority Approving Limits.

4. Conduct of the Board

- 4.1 Each Director will ensure that no decision or action is taken that has the effect of placing his or her interests of the Company.
- 4.2 Directors commit to the collective, group decision making process of the Board. Directors will debate issues openly and constructively and be free to question or challenge the opinions presented at meetings where their judgement differs from other Directors or Management.

4.3 In discharging his/her duties, each Director must:

- exercise care and diligence;
- act in good faith and in the best interest of the Company;
- not improperly use his/her position or misuse information of the Company; and
- commit the time necessary to discharge effectively his/her role as Director

4.4 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/herself from casting his/her votes in any matter arising thereof unless otherwise as provided for in the Constitution of the Company.

4.5 Shall 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.

4.6 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.

5. 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.

5.1 Board Meeting and Frequency

5.1.1 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.

The quorum for Board meetings shall be two (2).

5.1.2 The Chairman of the Board, or in his absence, a Director from amongst the Board members appointed shall preside as Chairman of the meeting.

5.1.3 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.

5.1.4 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.

5.1.5 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.

5.2 **Agenda**

- 5.2.1 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.
- 5.2.2 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.

5.3 **Meeting Papers**

- 5.3.1 Board papers and agenda items are to be circulated at least five (5) days prior to the meeting.
- 5.3.2 The draft minutes shall be circulated together with the Board papers at the following Board meeting. If one or more Directors request their opinion to be noted, the Company Secretary shall comply with the request.

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

- 5.4.1 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.
- 5.4.2 A record of submissions, papers and materials presented to the Board, is maintained and held by the Company Secretary together with minutes of meetings, and is accessible to Directors.
- 5.4.3 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.
- 5.4.4 The full 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 through an agreed procedure laid down formally.
- 5.4.5 Subject to prior approval of the Chairman, the cost of the advice will be reimbursed by the Company but the Director will ensure, so far as is practicable, that the cost is reasonable.

6. Provision of Business or Professional Services by Directors

- 6.1 Generally, Directors shall not provide business or professional services of an ongoing nature to the Company.
- 6.2 Not with standing the general rule, the Company is the liberty to:
 - For the purpose of special assignment, engage the services of any Director having special expertise in the particular field; or
 - Engage the services of a party related to a Director's of an organization.

So long as the terms of engagement are competitive, are clearly recorded and all legal requirements for disclosures of the engagements are properly observed.

7. Other Board Appointment

Any Director is, while holding office, at liberty to accept other Board appointments so long as the appointment is not in conflict with the business and does not affect his performance as a Director. The Director must notify the Chairman before accepting any other Board appointment with indication of time that will be spent on the new appointment.

8. Indemnities and Insurance

The Company shall make all reasonable effort to provide Directors with, and will pay the premiums for, indemnity and insurance cover while acting in their capacities as Directors, to the fullest extent permitted by the Companies Act, 1965 and Law.

9. Delegation to Committees

The Board may from time to time establish committees, as it considers necessary or appropriate to assist it in carrying out its responsibilities.

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.

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

a) Audit Committee

The Audit Committee assists in providing oversight on the Group's financial reporting, disclosure, regulatory compliance, risk management and monitoring of internal control processes within the Group. The Audit Committee reviews the quarterly financial results, unaudited and audited financial statements, internal and external audit reports as well as related party transactions or where it involves conflict of interests.

b) Nomination Committee

The Nomination Committee oversees matters relating to the nomination of new Directors, annually reviews the required mix of skills, experience, diversity in perspective and other requisite qualities of Directors as well as the annual assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director, as well as identify candidates to fill Board vacancies, and nominating them for approval by the Board.

c) Remuneration Committee

The Remuneration Committee is primarily responsible in assisting, developing and administering a fair and transparent procedure for setting remuneration packages of Executive Directors, Non-Executive Directors and Senior Management. 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 and Senior 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.

10. Remuneration levels of Directors

- 10.1** The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors 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.
- 10.2** The level of remuneration for the Chairman cum Group CEO and Executive Director is recommended by the Remuneration Committee to the Board after giving due consideration to the compensation levels for comparable positions among other similar Malaysian public listed companies.
- 10.3** In fixing the remuneration to be paid to Directors who are not employees of the Group for serving on the Board and on Committees of the Board, the Board will consider the following:
- The compensation that is paid to Directors of other companies which are comparable in size to the Group.
 - The amount of time it is likely Directors 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 Director serves undertakes a special assignment, the importance of that special assignment to the Group and its shareholders.
 - The risks involved in serving as a Director and a member of Board Committees.
- 10.4** 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.

11. Accountability and Audit

11.1 Financial Reporting

- 11.1.1 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.
- 11.1.2 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.

11.2 Company Auditors

- 11.2.1 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 Audit Committee.
- 11.2.2 The Audit Committee also keeps under review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the Company auditors. The Audit Committee ensures that the Company auditors do not supply a substantial volume of non-audit services to the Company and any practice that departs from this has to be disclosed in the Audit Committee Report.
- 11.2.3 A written confirmation in writing is obtained from the External Auditors on its independence are required under the listing requirements.

11.3 Internal Controls and Risk Management

- 11.3.1 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.
- 11.3.2 The Company has a well-resourced internal audit function, which critically reviews all aspects of the Company'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 Head of outsourced internal auditors has direct access to the Board through the Chairman of the Audit Committee.
- 11.3.3 The Board ensures the effectiveness of the system of internal controls is reviewed on a regular basis by the Audit Committee.
- 11.3.4 The Audit Committee receives reports regarding the outcome of such reviews on a regular basis.
- 11.3.5 The Board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of the Internal Control and Risk Management framework.

12. Composition of the Board

- 12.1 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. Thus, the Board acknowledges the importance of the gender diversity on the Board as well as the Management.
- 12.2 The Board shall comprise at least two (2) Directors or one-third (1/3) of the Board of Directors, whichever is higher, who are Independent Directors as required under Listing Requirements.
- 12.3 The appointment of a new member to the Board is only made after consultation with the Nomination Committee. Further, in identifying candidates for appointment of directors, the Board does not solely rely on recommendations from existing Board members, Management or major shareholders but utilises variety of independent sources to identify suitably qualified candidates, where appropriate.
- 12.4 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.
- 12.5 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.
- 12.6 The Board shall obtain time commitment from newly appointed Directors at the time of appointment.
- 12.7 The Board shall appoint a Senior Independent Director who serves as the point of contact between the Independent Directors and the Chairman on sensitive issues, ensure all Independent Directors have an opportunity to provide input on the agenda and ensure the

Independent Directors can perform their duties responsibly and with sufficient time for discussion of all agenda items.

- 12.8 The Board may, in exceptional cases and subject to the assessment of the Nomination Committee on an annual basis, recommend for an Independent Director who has served a consecutive or cumulative term of twelve (12) years to remain as an Independent Director subject to valid justification and shareholders' approval.
- 12.9 In the event of any vacancy in the Board, resulting in non-compliance with Paragraph 12.2 above, the Company must fill the vacancy within three (3) months.

13. Appointments

- 13.1 The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the Nomination Committee. It is of essence of the Board to ensure high levels of professional skills and appropriate personal qualities are pre-requisites for such nominee.
- 13.2 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
- 13.3 The Board shall undertake an assessment of its Independent Directors annually via the Nomination Committee.
- 13.4 Pursuant to the Company's Constitution, all Directors must retire once at least every three (3) years but shall be eligible for re-election.

14. Company Secretary

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

The Board recognizes the fact the Company Secretary should be suitable qualified, competent and capable of carrying out the duties required.

The key role of the Company Secretary shall include:

- provide unhindered advice and services for the Directors, as and when the need arises;
- advising on corporate governance as required under Malaysian Code on Corporate Governance;
- 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; and
- providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time.

15. Relationship with the Shareholders and Stakeholders

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.

It is the role of the Board to ensure that the Annual General Meeting (“AGM”) and Extraordinary General Meeting (“EGM”) of the Company are conducted in an efficient manner and serves as a crucial mechanism in shareholder communications. Key requirements behind this include the supply of comprehensive and timely information to shareholders and the encouragement of active participation at the AGM and EGM.

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;
- inform shareholders of their rights to demand for a poll vote at the commencement of general meetings subject to the Company's Constitution;
- for election of Directors, ensures that the notice of meeting state which Directors are standing for election or re-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; and
- conduct a business presentation with a question and answer session, where appropriate and if required.

The Group CEO shall take responsibility for addressing queries from shareholders, stakeholders, ~~and~~ analysts and press.

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.

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.

The Group's website, komark.com.my, provides easy access to corporate information pertaining to the Group and its activities and is continuously updated.

16. Board-Management Relationship

16.1 Role of the Group CEO

- The Board will link the Company's governance and management functions through the Group CEO.
- All Board authority conferred on Management is delegated through the Group CEO so that the authority and accountability of Management is considered to be the authority and accountability of the Group CEO so far as the Board is concerned.
- The responsibility of the Group CEO shall be stated in an agreed job description and generally, the Group CEO 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 management performance and the analysis of management reports;
 - Assures the Group's corporate identity, products and services are of high standards and are reflective of the market environment;
 - 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;
 - set, review and ensure compliance with the Company's value;
 - be the official spokesman for the Company and responsible for regulatory, governmental and business relationships;
 - ensures compliance with governmental procedures and regulations;
 - 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;
 - directing and controlling all aspects of the business operations in a cost effective manner;
 - effectively oversee the human resources of the Group with respect to key positions in the Group's hierarchy;
 - 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 Financial Controller;
 - maintains and facilitates a positive working environment and good employee relations;
 - develop long-term strategic and short-term profit plans; and
- Only decisions of the Board acting as a body are binding on the Group CEO. Decisions or instructions of individual Directors, officers or committees are not binding except in those instances where the Board gives specific authorization.

16.2 Accountability of Group CEO

The Group CEO is accountable to the Board for the achievement of the Company Goals and are also accountable for the observance of the Management Limitations.

16.3 Management Limitations

- The Group CEO is expected to act within all specific authorities delegated to them by the Board.
- The Group CEO is expected not to cause or permit any practice, activity or decision that is contrary to commonly accepted good business practice or professional ethics.
- In allocating the capital and resources of the Company, the Group CEO is expected to adhere to the Company Goals.
- The Group CEO is expected not to cause or permit any action without taking into account the health, safety, environment and political consequences and their effect on long-term shareholder value.
- The Group CEO is expected not to cause or permit any action that is likely to result in the Company becoming financially embarrassed.
- The assets of the Company are expected to be adequately maintained and protected, and not unnecessarily placed at risk. In particular, the Company must be operated with a comprehensive system of internal control, and assets of funds must not be received, processed or disbursed without controls that, as a minimum, are sufficient to meet standards acceptable to the Company's external auditors.
- The Group CEO is expected not to permit employees and other parties working for the Company to be subjected to treatment or conditions that are undignified, inequitable, unfair or unsafe.
- The Group CEO is expected not to cause or permit payments to be made or rewards given unless they are in return for contributions towards the purposes of the Bbusiness and are proportional to the extent that the contribution in question has furthered such purposes.

16.4 Role of Chairman

The Chairman is responsible for providing leadership and instilling good corporate governance and effectiveness of the Board.

Key responsibilities of the Chairman include:

- 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 establishing and monitoring good corporate governance practices in the Group;
- ensure the integrity of the governance process and issues and other responsibilities assigned by the Board from time to time;

- representing the Board to stakeholders and chairing general meeting of shareholders. This includes he will use this as an opportunity to inform shareholders of the Company's affairs including its performance and to summarise and unify thoughts and ideas and in control of the meeting;
- maintaining regular dialogue with the Management over all operational matters and consulting with the remainder of the Board promptly over any matters that gives him/her cause for major concern;
- functioning as a facilitator at meetings of the Board to ensure that no member, whether executive or non-executive, dominates discussion, that appropriate discussions take place and that relevant opinions among members is forthcoming. The Chairman will ensure that discussions result in logical and understandable outcomes; and
- ensuring that all Directors are enabled and encouraged to participate in its activities and allow dissenting views to be freely expressed. This includes ensuring that all relevant issues are on the agenda and that all Directors receive timely, relevant information and that they are properly briefed on issues arising at Board meetings.

The Chairman of the Board has taken the role of Group CEO in operating the business of the Company and its subsidiaries.

16.5 Role of Independent Directors

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 Paragraph 1.01 of the Main Market Listing Requirements;

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 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 trend, and enable them to sustain their active participation in Board deliberations; and
- 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.

16.6 Role of Senior Independent Director

The role of Senior Independent Director include, amongst others:

- act as a sound board for the Chairman;
- 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 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 the principal conduit between the Independent Directors and the Chairman on sensitive issues; and
- 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 Group CEO.

16.7 Role of Directors

The principal roles of Directors includes, amongst others:

- review and adopt a strategic plan for the Company;
- oversee the conduct of the Company's business 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; and
- 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.

17. Disqualification or vacation of office

The office of Directors shall become vacant if the Director:

- (a) is an undischarged bankrupt;
- (b) has been convicted of an offence relating to the promotion, formation or management of a corporation;
- (c) has been convicted of an offence involving bribery, fraud or dishonesty;
- (d) become disqualified from being a director by reason of any order made under the Act or he has been convicted of an offence under sections 199, 213, 215, 216, 217, 218, 228 and 539 of the Act
- (e) has been disqualified by Court under Section 199 of the Act;
- (f) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental disorder during his term of office;
- (g) is absent from more than 50% of the total board of directors' meetings held during a financial year of the Company, except when an exemption or waiver is obtained from the Exchange;
- (h) If he is removed by a resolution of the Company in general meeting;
- (i) resigns from his office by notice in writing to the Company and deposited at the office;
- (j) has retired in accordance with the Act or the Constitution of the Company but not re-elected;
- (k) without the consent of the Company in general meeting holds any other office of profit under the Company except that of managing Director or manager;

- (l) is disqualified from acting as a Director in any jurisdiction for reasons other than on technical grounds (in which case he must immediately resign from the Board); or
- (m) otherwise vacates his office in accordance with the Act or the Constitution of the Company.

The circumstances referred to in subclauses (a), (b), (c) and (d) shall be applicable to circumstances in or outside Malaysia.

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 market place 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;
 - Komarkcorp Group's code of conduct;
 - 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 casting his votes in any matter arising thereof unless otherwise as provided for in the Constitution of the Company.
- 19.2 Shall 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.
- 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.

20. Directors' training

- 20.1 Directors are required to undergo the mandatory accreditation programme under the auspices 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, for example, financial reporting standards, tax, budgets, etc. The Nomination Committee shall decide on the continuous education training programme for Directors.
- 20.2 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.

21. Corporate Disclosures

- 21.1 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 the Board Charter and Annual Report of the Company.
- 21.2 The Board appoints the Group CEO 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.
- 21.3 Non-executive Directors with the possible exception of the Chairman to as far an extent as possible, shall avoid commenting on the Company to external audiences. This is to avoid confusion and to ensure that the Board speaks in one voice.

22. Board and Member Evaluations

- 22.1 The Board will review the size and composition of the Board at least annually. The Board or via the Board committee, will also assess the Board’s performance, at least annually, in order to confirm that its processes and procedures remain adequate to ensure that it is carrying out its functions as effectively as possible.
- 22.2 Individual Director will be evaluated by a process whereby the Board through the Nomination Committee determines questions to be asked of each Director about him or herself and about each other including the Chairman, and take the responses are collected and collated by the Nomination Committee Chairman who then discusses the results with each Director. The Nomination Committee Chairman’s own position is discussed with the rest of the Board.

23. Revision and Updates

This Charter and all Board Committee Charters and Policies shall be periodically reviewed and amended by the Board as it deems appropriate.

This policy statement on the Board Charter is revised by the Board of Directors of **Komarkcorp Berhad** effective from 17 August 2018.

Confirmed by

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Chairman
Signed for & on behalf of the
Board of Directors of **Komarkcorp Berhad**