



METROD HOLDINGS BERHAD (916531-A)

BOARD CHARTER

BOARD CHARTER

TABLE OF CONTENTS

	Page No.
A. Schedule of Matters Requiring Board's Approval	3-5
B. Other Board's Matters	6-7
C. Position Description of the Chairman	8-9
D. Position Description of the President & Chief Executive Officer	10-11
E. Position Description of the Non-Executive Directors	12
F. Position Description of the Independent Non-Executive Directors	13-14
G. Terms of Reference of Audit Committee	15-19
H. Terms of Reference of Nominating Committee	20-23

SCHEDULE OF MATTERS REQUIRING BOARD OF DIRECTORS' APPROVAL

The authorities of the Board of Directors (“the Board”) are specified below and such authorities may be modified or varied from time to time as determined by the Board.

Conduct of Board

- Appointment and removal of Directors and Senior Management;
- Appointment and removal of Company Secretary;
- Appointment of Board Committees and members;
- Approval of Terms of Reference of Board Committees and amendments to such terms;
- Appointment of the President & Chief Executive Officer (“CEO”) and his duties and the continuation (or not) of his service; and
- Annual Review of required mix of skills, gender, expertise and experience of the Board, process for annual assessment of the effectiveness of the Board and Board Committees as a whole.

Remuneration

- Approval of the remuneration arrangements for Non-Executive Directors;
- Approval of the remuneration structure and policy for Executive Directors;
- Approval of remuneration packages for Executive Directors and Senior Management;
- Approval for any proposed new Employee Share Scheme and/or amendments to the existing scheme, subject to other approvals that may be required by law or regulations; and
- Approval of allocation and share grants in Metrod Holdings Berhad (“the Company”)’s Employee Share Scheme.

Operational

- Approval of business strategies, group operational plan, budget and significant policies;
- Ongoing review performance against business strategy and group operational plans to ensure that the Company's strategies promote sustainability;
- Ensure there is internal control system and to review the adequacy and integrity of the system;
- Ensure the principal risks in the Company and its subsidiaries ("the Group") are identified, measured and with appropriate system of internal controls;
- Review the risk management guidelines, procedures and standards to ensure they provide effective governance of the Group's risk taking activities;
- Approval of major capital expenditure as may be determined from time to time.;
- Approval of bad debts write-off as may be determined from time to time;
- Approval of investment or divestment in a Company/business/property/undertaking;
- Approval of investment or divestment of a capital project which represents a significant diversification from the existing business activities;
- Approval of changes in the major activities of the Company and/or the Group;
- Approval of treasury policies;
- Setting or variation of the authority level of the President & CEO; and
- Deliberate and approve major issues and decisions.

Financial

- Approval of interim and annual financial statements after taking into consideration the recommendations of the Audit Committee ("AC");
- Approval for the release of financial announcements;
- Approval of the annual Directors' Report and Statutory Accounts;

METROD HOLDINGS BERHAD (916531-A)

- Approval of interim dividends, the recommendation of final dividends and the making of any other distribution;
- Adoption of accounting policies after taking into consideration the recommendations of the AC;
- Approval of corporate policies and procedures, where appropriate; and
- Review of the Group's system of internal control after review of its effectiveness by the AC.

Other matters including:

- The granting of powers of attorney by the Company;
- Approval and acceptance of bank facilities and authorities;
- The entering into any indemnities or guarantees;
- Recommendations of any alteration to the Memorandum and Articles of Association and Constitution of the Company;
- Alteration of the accounting reference date, registered office and name of the Company;
- Purchase of own shares by the Company (if any);
- Issue of any debt instruments;
- Substantial political or charitable contributions;
- Any scheme of reconstruction or restructuring;
- Any other significant business decision;
- Any other matter requiring the convening of a general meeting of shareholders or any class of shareholders; and
- Any other matter which the Board considers appropriate to ensure that the direction and control of the Company is firmly in its hands.

OTHER BOARD'S MATTERS

Access to Information and Advice

- The Board is allowed to have access to all information pertaining to the Company. Upon receipt of the request from the Board, management should supply accurate and complete information to the Board in a timely manner to enable the Board to discharge its duties effectively.
- The Board has identified the following persons to allow its members access to information and advice as and when required:
 - Mr Rajan Mittal (President & CEO)
 - Company Secretaries
- Occasions may arise when the Board has to seek legal, financial, governance or expert advice in the course of their duties. The Board should be able to consult advisers and, when considered necessary, to seek independent professional advice. Nevertheless, the Board members are advised to inform the Board on his needs and present the necessary quotation to the Board for approval.
- The Board is supported by two suitably qualified and competent Company Secretaries to ensure the Board is adhered to Board policies and procedures from time to time.
- The Board is encouraged to consult the Company Secretaries on procedural, new statutory and regulatory requirements to enable the Board members to discharge its duties and responsibilities.
- 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.

Directors' Training

- All the Board members must attend the training programmes for continuous education to update their knowledge and enhance their skills with respect to the business, structure and management of the Group as well as the expectations of the Board with regards to their contribution to the Board and the Group. The Board, via Nominating Committee ("NC") would review the Directors' training needs from time to time.
- The Directors are regularly updated by the Company Secretary on updates and amendments to the relevant guidelines on statutory and regulatory requirements relating to Directors' duties and responsibilities to the effective discharge of their duties as Directors of the Company.

Review of Board Charter

The Board shall review and update the Board Charter as and when required to ensure its relevance to the Company's situation, and to make necessary amendments, alteration or waiver the sections of this Board Charter provided that any such modification or waiver may not be a violation of any applicable law, rule or regulation and which will be in accordance with the needs of the Company and any new regulations that may have impact on the discharge of the responsibilities of the Board and to ensure that the Board Charter remains consistent with the Board's objective and responsibilities.

Time Commitment for Board Members

The Board is advised to devote sufficient time to carry out their responsibilities and will obtain this commitment from its new members at the time of appointment. The existing Directors are also advised to notify the Chairman before accepting any new directorship and on the indication of time that will be spent on the new appointment.

POSITION DESCRIPTION OF THE CHAIRMAN

The responsibilities of the Chairman include:

- 1) Providing leadership to the Board;
- 2) Chairing meetings of the Board in such a manner that will stimulate debate on issues before the Board and encourage the most effective contribution from each Board Member;
- 3) Chairing meetings of shareholders;
- 4) Establishing procedures to govern the Board's work;
- 5) Ensuring the Board's full discharge of its duties;
- 6) Scheduling of the full Board;
- 7) Organising and presenting the agenda for regular or special Board meetings based on input from other Directors and the Company Secretary;
- 8) Ensuring proper flow of information to the Board, reviewing adequacy and timing of documentary materials in support of management's proposal and review of performance of the Company and/or the Group;
- 9) Ensuring adequate lead time for effective study and discussion of business under consideration;
- 10) Identifying guidelines for the conduct of Directors, and ensuring that each Director is making a significant contribution. The Chairman will keep under review, informally, the contributions made by Board Members;
- 11) Acting as liaison between the Board and Management. The Chairman should act as the main informal link between the Board and Management and particularly between the Board and the President & CEO;
- 12) Ensuring that all Board Members, when taking up office, are fully briefed on the terms of their appointment, duties and responsibilities and the business of the Group;
- 13) Together with the President & CEO, represent the Company and/or the Group to external groups such as shareholders, creditors, consumer groups, local communities and federal, state, and local governments;

- 14) In conjunction with the President & CEO, playing a leading role in:
- Formulating the Board's strategic direction and planning process;
 - Encouraging high standards of propriety and promoting efficient and effective use of staff and other resources throughout the organisation;
 - Fostering high corporate ethical standards and positive relationships with the Company's shareholders; and
 - Acting as the Chief Spokesperson of the Group.
- 15) Active participation in the selection of Board Members and ensuring the membership is properly balanced;
- 16) Ensuring proper committee structure, including assignments of members and committee chairman; and
- 17) Carrying out other duties as requested by the Board as a whole, depending on the needs and circumstances.

POSITION DESCRIPTION OF THE PRESIDENT & CEO

The President & CEO is accountable to the Board for the overall organisation, management, and staffing of the Company and/or the Group and for the procedures in financial and other matters, including conduct and discipline. This includes promoting by leadership. The President & CEO's authority is explicitly provided for in the Limits of Authority. Board Members should support the President & CEO in undertaking this responsibility.

The roles of the President & CEO can be summarised as follows:

1. Fosters a corporate culture that promotes ethical practices, encourages individual integrity and social responsibility;
2. Maintains a positive and ethical work climate that is conducive to attracting, retaining, and motivating a diverse group of top-quality employees at all levels;
3. Develops and recommends to the Board a long-term strategy and vision for the Company and/or the Group that leads to the creation of shareholder value;
4. Develops and recommends to the Board the operational plan and budget that support the Company's and/or the Group's long-term strategy;
5. Manages the overall business and oversees the day-to-day operations of the Company;
6. Ensures continuous improvement in the quality and value of the products and services provided by the Group;
7. Ensures that the Company achieves and maintains a satisfactory competitive position within its industry;
8. Recommends a management structure and operating authority levels which include delegation of responsibilities to management;
9. Ensures that the Company has an effective management team below the level of the President & CEO and has an active plan for its development and succession;
10. Ensures, in co-operation with the Board, that there is an effective succession plan in place for the President & CEO position;
11. Formulates and oversees the implementation of major corporate policies;
12. Accountable to the Board for the propriety and regularity of the finances;

METROD HOLDINGS BERHAD (916531-A)

13. Responsible for the financial management of the Company and/or the Group and overseeing the handling of financial matters which include keeping proper accounts for prudent and economical administration, avoidance of waste and extravagance for efficient and effective use of all the resources;
14. Reports to the Board periodically on the financial positions of the Group which include forecast results as required from time to time;
15. Reports to the Board on key performance indicators in relation to the financial results, market conditions and other developments;
16. Recommends annual key management salary increment and employees share option entitlement;
17. Reports on the results of employee union negotiation;
18. Reports on significant business decisions; and
19. Refers to the Chairman or other Board Committees on matters requested from time to time.

POSITION DESCRIPTION OF THE NON-EXECUTIVE DIRECTORS

Non-Executive Directors are:

- Those who have no direct or indirect pecuniary interest in the Company other than their Directors' emoluments and their "permitted" shareholdings in the Company;
- Those who are not employees of the Company or affiliated with it in any other way and are not involved in the day-to-day running of business but may have pecuniary interest in the Company, whether direct or indirect; or
- Those who are not employees of the Company but are standing as nominees for substantial shareholders.

The roles of the Non-Executive Directors can be summarised as follows:

1. Act as a bridge between management and stakeholders, particularly shareholders. They could provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied;
2. For the Board to create an environment that allows the expression of disagreement when discussing strategic issues; and
3. Bring dispassionate objectivity that a Director with a relationship with the Company cannot provide.

POSITION DESCRIPTION OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

Independent Directors are essential for protecting the interests of minority shareholders and can make significant contributions to the Company's decision making by bringing in the quality of detached impartiality. Since an Independent Director has no conflict of interests in the discharge of his duties, he ought to approach any approval that is being sought at board level for a transaction or any matter with a watchful eye and with an inquiring mind.

Paragraph 1.01 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") provides that an Independent Director is one who is independent of management and free from any business or other relationship that could interfere with the exercise of independent judgement or the ability to act in the best interests of a listed company.

The Independent Director of the Company must be a person who:

- is not an executive director of the Company or any related corporation of the Company;
- has not been within the last 2 years and is not an officer (except as a non-executive director) of the Company;
- is not a major shareholder of the Company;
- is not a relative of any executive director, officer or major shareholder of the Company;
- is not acting as a nominee or representative of any executive director or major shareholder of the Company;
- has not been engaged as a professional adviser by the Company under such circumstances as prescribed by Bursa Securities or is not presently a partner, director (except as an independent director) or a major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the Company under such circumstances as prescribed by Bursa Securities; or
- has not engaged in any transaction with the Company under such circumstances as prescribed by Bursa Securities or is not presently a partner, director or a major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the Company) which has been engaged in any transaction with the Company under such circumstances as prescribed by Bursa Securities.

Practice 4.2 of the Malaysian Code on Corporate Governance 2017 recommends that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, such Independent Director may continue to serve on the Board subject to his re-designation as a Non-Independent Director.

The Board must seek shareholders' approval at the Annual General Meeting with justifications in the event the Board intend to retain the Director as an Independent Director after he/she who has served in that capacity for a cumulative term of nine (9) years based on the recommendation by the NC.

If the Board continues to retain the independent director after the twelfth year, the Board should seek annual shareholders' approval through a two-tier voting process.

TERMS OF REFERENCE OF AUDIT COMMITTEE

MEMBERSHIP

1. The AC shall be appointed by the Board based on the recommendation of the NC from amongst the Directors of the Company which fulfils the following requirements:
 - (a) the AC must be composed of not fewer than three (3) members;
 - (b) all AC members must be Non-Executive Directors, with all of them being Independent Directors; and
 - (c) at least one (1) member of the AC:
 - i) must be a member of the Malaysian Institute of Accountants; or
 - ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience and:
 - (aa) he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act 1967; or
 - (bb) he must be a member of one of the Associations of Accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
 - iii) fulfills such other requirements as prescribed or approved the Bursa Securities.
2. The members of the AC shall elect a Chairman from among themselves who shall be an Independent Director. If there is any vacancy in the position of the Chairman of the AC ("AC Chairman"), the Board shall within three (3) months appoint a new AC Chairman to fill the vacancy.
3. No Alternate Director should be appointed as a member of the AC.
4. Any former key audit partner shall observe a cooling off period of at least 2 years before being appointed as a member of AC.
5. In the event of any vacancy in the AC (including AC Chairman) resulting in the non-compliance of the MMLR of the Bursa Securities pertaining to the composition of AC, the Board shall fill the vacancy within three (3) months of the occurrence of that event.

6. The terms of office and performance of the AC and each of its members must be reviewed by the NC annually to determine whether the AC and its members have carried out their duties in accordance with their Terms of Reference.

CHAIRMAN

1. The AC Chairman shall report to the Board on all matters within its duties and responsibilities.
2. Encouraging open discussion during meetings and take reasonable steps in ensuring substantive flow of relevant information to the AC.
3. Creating and maintaining an active on-going communication with Senior Management and both the Internal Auditors and External Auditors.

SECRETARY OF AUDIT COMMITTEE

The Company Secretary shall be the Secretary of the AC or in his absence, another person as the Secretary of the meeting the AC Chairman shall choose.

MEETINGS

1. Meetings shall be held not less than four (4) times a year.
2. Upon the request of the Internal Auditors and/or External Auditors, the AC Chairman shall convene a meeting to consider any matter the Internal Auditors and/or External Auditors believe should be brought to the attention of the Board or shareholders of the Company.
3. The quorum shall consist of a majority of the Independent Non-Executive Directors.
4. The Finance Director, the Head of Internal Audit and a representative of the External Auditor shall normally attend AC meetings. Any other Directors and employees may attend any particular meeting only at the AC's invitation, specific to the relevant meeting.
5. The minutes of each meeting shall be kept as part of the statutory record of the Company upon confirmation by the Board and a copy shall be circulated to all members of the AC.
6. The AC shall regulate its own procedures, in particular:
 - (a) the calling of meetings;
 - (b) the notice to be given of such meetings;
 - (c) the voting and proceedings of such meetings;

- (d) the keeping of minutes; and
 - (e) the custody, production and inspection of such minutes.
7. The AC may call for a meeting as and when required with reasonable notice as the Committee Members deem fit. The Committee Members may participate in a meeting by means of tele-conference, video-conference or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting. Minutes of such a meeting signed by the AC Chairman shall be conclusive evidence of any resolution of any meeting conducted in the manner as aforesaid.
8. A resolution shall be decided by majority vote. The entry in the minutes of the meeting of that declaration shall be conclusive evidence of the result of the resolution.
9. A resolution in writing signed by all AC members shall be valid and effective for all purposes as a resolution passed at a meeting of the AC duly convened, held and constituted. Any such resolution may be contained in a single document or may consist of several documents all in the like form signed by one or more members. Any such document may be accepted as sufficiently signed by AC members if transmitted to the Company by any technology purporting to include a signature and/or electronic or digital signature of the AC members.

RIGHTS OF THE AUDIT COMMITTEE

In carrying out its duties and responsibilities, the AC will:

- (a) have authority to investigate any matter within its Terms of Reference;
- (b) have the resources which are required to perform its duties;
- (c) have full and unrestricted access to any information pertaining to the Company;
- (d) have direct communication channels with the External Auditors and person(s) carrying out the Internal Audit Function or activity (if any);
- (e) be able to obtain independent professional or other advice; and
- (f) be able to convene meetings with External Auditors, the Internal Auditors or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

FUNCTIONS OF THE AUDIT COMMITTEE

1. The AC shall, amongst others, discharge the following functions to review:
- (a) the Quarterly Results and year end Financial Statements, prior to the approval by the Board, focusing particularly on:

- i) the going concern assumption;
 - ii) the changes in or implementation of major accounting policy changes;
 - iii) the significant judgement made by Management;
 - iv) the significant and unusual events; and
 - v) the compliance with accounting standards and other legal requirements.
- (b) any related party transaction and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions or management integrity;
- (c) with the External Auditors the Audit Plan, Audit Report, their evaluation of the system of Internal Controls, their letter to management and management's response and a clear and direct line of communication between the Board and the External Auditors through meetings and discussions;
- (d) the adequacy and effectiveness of the internal control system; and
- (e) the Group risk management report and the risk management policies and practices of the Group to ensure their effectiveness.
2. In respect of the appointment of External Auditors:
- (a) to review whether there is reason (supported by grounds) to believe that the External Auditors is not suitable for the re-appointment;
 - (b) to consider the nomination of a person or persons as External Auditors and the audit fee;
 - (c) to consider any questions of resignation or dismissal of External Auditors;
 - (d) the size and complexity of the Group being audited;
 - (e) the number and experience of supervisory and professional staff assigned to the particular audit; and
 - (f) to review the performance of the External Auditors and its independence.
3. In respect of the Internal Audit Function:
- (a) to review the adequacy of the scope, functions, competency and resources of the Internal Audit Function and that it has the necessary authority to carry out its work;

- (b) to review the Internal Audit Plan and the results of the Internal Audit processes where necessary, ensure that appropriate actions are taken on the recommendations of the Internal Audit Function;
 - (c) to review any appraisal or assessment of the performance of members of the Internal Audit Function;
 - (d) to ensure that the Internal Audit Function is independent of the activities it audits and free from interference in determining the scope of internal audit, performing work and communicating results;
 - (e) to ensure the internal audit function reports directly to the AC; and
 - (f) if the Internal Audit Function is performed in-house:
 - (i) to approve any appointment or termination of senior staff members of the Internal Audit Function; and
 - (ii) to be informed of any resignation of internal audit staff member and provide the resigning staff member an opportunity to submit his reasons for resigning.
4. To promptly report such matter to the Bursa Securities if the AC is of the view that the matter reported by it to the Board not been satisfactorily resolved resulting in a breach of the MMLR of the Bursa Securities.
5. In the event that non-audit fees paid to the Company's External Auditors, or a firm or corporation affiliated to the External Auditors' firm are significant (i.e. constitute 50% of the total amount of audit fees paid to the Company's External Auditors) the Company is required to state the details on the nature of non-audit services rendered in the AC Report.
6. To carry out such other functions as may be agreed to by the AC and the Board.

REVISION OF THE TERMS OF REFERENCE

The Terms of Reference will be reviewed periodically or as and when required by the AC and recommendation be made to the Board for approval on any revision.

TERMS OF REFERENCE OF NOMINATING COMMITTEE

1.0 PURPOSE

The purpose of the establishment of NC is to assist the Board to identify, selection and recommend to the Board the appointment and orientate new Directors and appointment of Senior Management. The NC is also charged to assess the effectiveness of the Board and Board Committees as a whole, and contribution of each individual Director and CEO.

2.0 COMPOSITION AND SIZE

The NC shall be appointed by the Board and shall comprise exclusively of Non-Executive Directors, a majority of whom are Independent Non-Executive Directors. The size of NC shall consist of not less than three (3) members. In the event of any vacancy resulting in the non-compliance of the requirements, the Board shall fill the vacancy within three (3) months.

3.0 CHAIRMAN

The Board must elect a Chairman among NC members who is an Independent Non-Executive Director. The chairman of the NC (“NC Chairman”) should be appointed as the Senior Independent Non-Executive Director of the Company.

In the absence of the NC Chairman, the remaining members present shall elect one of their members amongst the Independent Non-Executive Directors to be Chairman of the meeting.

4.0 SECRETARY

The Company Secretary shall be the Secretary of the NC or in his absence, the NC Chairman or Chairman of the meeting shall choose another person as the secretary of the meeting.

5.0 QUORUM

The quorum for meeting shall be two (2) members with a majority of whom present must be Independent Non-Executive Directors.

6.0 MEETINGS

- (a) The NC should meet at least once (1) a year or hold additional meetings as and when necessary to discharge its responsibilities as spelt out in its Terms of Reference;
- (b) The NC may call for a meeting as and when required with reasonable notice as the NC members deem fit. The NC members may participate in a meeting by means of video

or teleconferencing or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting. Minutes of such a meeting signed by the NC Chairman shall be conclusive evidence of any resolution passed at the meeting conducted in the manner as aforesaid;

- (c) Other Directors, key executives and employees may attend the meeting at the NC's invitation only, as and when appropriate;
- (d) The Secretary of the NC shall record the proceedings of the NC meetings. Copies of the minutes of meeting shall be made available to all members of the Board upon request;
- (e) The Board should be kept aware of the NC's activities by way of the NC Minutes being circulated together with the Board meeting papers; and
- (f) A resolution in writing signed or approved via letter, telex or facsimile by all NC members shall be valid and effectual as if it had been passed at a meeting of the NC duly convened, held and constituted. Any such resolution to be passed may be in a single document or may consist of several documents in the like form signed by one or more members of the NC.

7.0 REVIEW OF THE TERMS OF REFERENCE

The Terms of Reference of NC would be reviewed by the Board annually and amended as necessary to determine its adequacy for current circumstances, the Company's policies and applicable rules and regulations.

8.0 DUTIES AND RESPONSIBILITIES OF THE NC

The duties and responsibilities of the NC are as follows:

- (a) To review and assess the independence of the Independent Directors annually, and determine whether the Board members can remain as Independent Director after serving a cumulative term of nine (9) years;
- (b) To develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors and Senior Management;
- (c) To ensure that the Board level recruitment matters are discussed in depth, allowing the Board to spend time on strategic and operational matters;

METROD HOLDINGS BERHAD (916531-A)

- (d) To recommend to the Board a framework for the evaluation of the Board's and individual's performance for approval of the Board;
- (e) To review and recommend appointment of Directors and Senior Management to Board Committees;
- (f) To consider and recommend to the Board, candidates for directorships, proposed by the Director or to be filled by the shareholders, taking into consideration of the candidates' skills, knowledge, expertise and experience, time commitment, character, professionalism, integrity and in the case of the candidates for the position of Independent Non-Executive Directors, the NC should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors to ensure that the Company recruits and retains the best available Executive and Non-Executive Directors;
- (g) Considering, in making recommendations, candidates for directorships proposed by the CEO, and within the bounds of practicability, by any Senior Management or any Director or Shareholder;
- (h) Ensuring, in making recommendations, the Board does not solely rely on recommendations from existing board members, management or major shareholders and independent sources are being used to identify any suitably candidates for directorships;
- (i) To recommend to the Board, candidates to fill vacancies at the Board as well as the Board Committees as and when they arise;
- (j) To review the structure, size and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board, including core competencies which Non-Executive Directors should bring to the Board at least annually; and make recommendations to the Board with regards to any adjustment that are deemed necessary;
- (k) To assist the Board to assess annually the effectiveness of the Board as a whole, the Board Committees and contribution of each individual Director, including Independent Non-Executive Directors and CEO, including his/her time commitment to effectively discharge his/her role as a Director. Thereafter, recommend its findings to the Board;
- (l) To assist the Board to assess annually the performance of CEO and recommend its findings to the Board. With regard to the annual assessment of CEO, the NC shall be guided by the Human Resource Procedures on the assessment of CEO;

- (m) To review and approving any new employment of related persons and the proposed terms of their employment;
- (n) To assess the retirement of Directors by rotation and eligibility for re-election or re-appointment; Due consideration should be given to the extent to which the interplay of the Director's expertise, skills, knowledge and experience was demonstrated with those of other Board members;
- (o) Periodically reporting to the Board on succession planning for the Board;
- (p) To review the term of office and performance of the AC and each of its members annually to determine whether such AC members have carried out their duties in accordance with their Terms of Reference;
- (q) Annually review the time required of Non-Executive Directors and undertake performance assessment to assess whether the Directors are spending enough time to fulfil their duties;
- (r) To ensure new Directors go through a proper induction programme and to continuously, evaluate the training needs for individual Directors, encouraging continuous training as necessary;
- (s) In exercising objectivity in the assessment process, the NC members should not be influenced by major controlling shareholders or the CEO or Executive Directors;
- (t) The Board remains responsible for considering and approving recommendations from the NC;
- (u) The Board should work together with the NC to evaluate potential successors of Board Chairman and CEO; and
- (v) Each NC members should abstain from deliberation and decision of any resolutions which involving his own interest.

9.0 ACCESS TO ADVICE

The NC members of the Company have access to any form of independent professional advice and services of the Company Secretary at the Company's expense, if and when required, in carrying out its functions.