



SAMAIDEN GROUP BERHAD

201901037874 (1347204-V)

BOARD CHARTER

1. INTRODUCTION

The enhancement of corporate governance standards is vital towards achieving the objectives of transparency, accountability and effective performance for Samaiden Group Berhad ("**SAGB**" or the "**Company**") and its subsidiaries (the "**Group**"). It is with the aim of enshrining concepts of good governance as promulgated by the Malaysian Code on Corporate Governance (the "**Code**") that this Board Charter (the "**Charter**") is established.

The Charter serves as a reference point for Board activities and should not be construed as a blueprint for Board operations. Just as each organisation has its own corporate culture, the dynamics of each Board are unique. The dynamics shift as the composition of the Board changes, and the Directors of the Company should always be open to new opportunities and ready to confront new challenges brought about by the changes.

This Charter is designed to provide guidance and clarity for Directors and Senior Management regarding the role of the Board and its Committees, the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Company as well as the Board's operating practices. This Charter does not overrule or pre-empt the statutory requirements of Directors enshrined in the Companies Act 2016, the Income Tax Act 1967 and other relevant statutes, including the conduct of the Board as stipulated in the Constitution of the Company.

2. INTERPRETATION

In this Charter:

"Board" means the Board of Directors of the Company;

"Bursa Securities" means Bursa Malaysia Securities Berhad;

"Chairman" means the Chairman of the Board;

"Company Secretary" means the Board secretary(ies) or the person(s) normally exercising the functions of a Board secretary;

"GMD" means the Group Managing Director;

"Group" means the Company and all its subsidiaries;

"Independent Director" is defined in accordance with Chapter 1, Paragraph 1.01 of the Listing Requirements of Bursa Securities;

"Listing Requirements" means the Main Market Listing Requirements of Bursa Securities;

"MCCG" means Malaysian Code on Corporate Governance;

"Senior Management" means the members of the C-suite and such other persons who directly report to the Group Managing Director, which includes Heads of Departments, where applicable;

"Shareholders" means the shareholders of the Company; and

"SC" means Securities Commission Malaysia.

3. THE BOARD

3.1 Role of the Board

- 3.1.1 The Board is charged with leading and managing the Company in an effective and responsible manner. Each Director has a legal duty to act in the best interest of the Company. The Directors, collectively and individually, are aware of their responsibilities to shareholders and stakeholders for the manner in which the affairs of the Company are managed. The Board sets the Company's values and standards and ensures that its obligations to its shareholders and stakeholders are understood and met.
- 3.1.2 The Board understands that the responsibility for good Corporate Governance rests with them and therefore strives to follow the principles and best practices stated in the MCCG. The Board includes a narrative statement in its Company's Annual Report on the extent of application with the principles and best practices in MCCG pursuant to Paragraph 15.25 of the Listing Requirements.
- 3.1.3 Duties of the Board include establishing the corporate vision and mission, as well as the philosophy of the Company, setting the aims of the Senior Management and monitoring the performance of the Senior Management.
- 3.1.4 The principal responsibilities of the Board are:
- (a) to promote good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour with the Senior Management;
 - (b) to review and adopt a strategic plan of the Group and responsible for monitoring the implementation of the strategic plan by Senior Management to ensure it supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
 - (c) to oversee the conduct of the Group's businesses, supervise and evaluate management performance to determine whether the businesses are being properly managed;
 - (d) to ensure that the development and implementation of the Group's strategies, business plans, major plans of action and risk management take into account sustainability consideration;
 - (e) to identify principal business risks faced by the Company and the Group and ensure the implementation of appropriate systems to manage these risks;
 - (f) to consider and implement succession planning including the implementation of appropriate systems for recruitment, training and replacement of Senior Management;
 - (g) to oversee the development and implementation of an investors relations programme or shareholder communication policy for the Group and in place procedures to enable effective communication with stakeholders;
 - (h) to review the adequacy and the integrity of the Group's internal control systems and risk management framework;
 - (i) to determine the remuneration of Executive Directors and Non-Executive Directors of the Company, with the individuals concerned abstaining from discussions of their own remuneration;
 - (j) to ensure that the Group adheres to high standards of ethics and corporate behaviour;
 - (k) to ensure that all the Directors are able to understand financial statements and form a view on the information presented; and

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- (l) to ensure the integrity of the Company's financial and non-financial reporting.
- 3.1.5 The Board has established written procedures determining which issues require a decision of the full Board and which issues can be delegated to Board Committees or the Senior Management.
- 3.1.6 The Board reserves full decision-making powers on the following matters:
 - (a) Acquisition and disposal or closure of a business;
 - (b) Material acquisitions and disposition of tangible assets not in the ordinary course of business;
 - (c) Conflict of interest issues relating to a substantial shareholder or a Director;
 - (d) Establishment of new businesses/ Investments in capital projects;
 - (e) Authority levels;
 - (f) Treasury policies;
 - (g) Risk management policies;
 - (h) Key human resource issues; and
 - (i) Any corporate restructuring not covered by the above-mentioned paragraphs.
- 3.1.7 In overseeing the conduct of the Group's businesses, 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 operating plan and budget, financial statements, performance review reports and risk management reports.
- 3.1.8 The Board as well as any Director may seek independent professional advice relating to the affairs of the Group or his responsibilities as a Director, at the Company's expense. If a Director considers such advice is necessary, for the benefit of the Company, such Director shall first discuss it with the GMD and having done so, shall be free to proceed, where appropriate. The Director must also ensure that it is practicable and the cost is reasonable.

3.2 Composition and Board Balance

- 3.2.1 The Board shall be of a size and composition with the benefit of diversity in perspectives, competencies, extensive experience, knowledge and skills to deal with the current and emerging issues of the Company business. Thus, The Board acknowledges the importance to promote gender diversity and shall have at least one (1) woman director on the Board. Nevertheless, the Board expresses its commitment to maintain a balanced diversity.
- 3.2.2 The Board also recognises the importance of independence and objectivity in the decision-making process. At least one-third (1/3) of the Board shall consist of Independent Non-Executive Directors or a minimum of two (2), whichever is the higher. If the number of Directors of the Company is not three (3) or a multiple of three (3), then the number nearest 1/3 must be used.

In the event of any vacancy in the Board, resulting in non-compliance with the above, the Board must ensure that the vacancy is filled within 3 months from the date of occurrence of that event.
- 3.2.3 The Independent Directors provide independent judgement, experience and objectivity without being subordinated to operational considerations.

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- 3.2.4 The views of the Independent Directors should carry significant weight in the Board's decision-making process.
- 3.2.5 The Independent Directors help to ensure that the interests of all shareholders, and not only the interests of a particular fraction or group, are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.
- 3.2.6 The appointment of a new member to the Board is only made after consultation with the Nominating Committee.
- 3.2.7 A Director shall inform the Chairman before he/she accepts any new directorships.
- 3.2.8 Each Board member must not hold directorships at more than five (5) listed issuers.
- 3.2.9 Profiles of Board members are included in the Annual Report of the Company.

3.3 Chairman and GMD

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. For this purpose, the positions of the Chairman and the GMD is held by different Directors of the Company. The Chairman must be a non-executive member of the Board.

3.3.1 Role of Chairman

The Chairman is responsible for:

- (a) The leadership of the Board in ensuring the effectiveness of all aspects of its role;
- (b) The efficient organisation and conduct of the Board's function, chairing Board meetings and encouraging all Directors to play an active role in Board activities;
- (c) Taking the lead in setting the values and standards of the Company;
- (d) Taking the lead in adopting and implementing of good corporate governance practices in the Company;
- (e) Setting board agenda and ensuring quality information is furnished to Board members on a timely basis to facilitate decision-making;
- (f) Leading board meetings and discussions;
- (g) Ensuring accurate and timely information, in particular, about the performance of the Company is furnished to Board members;
- (h) Chairing general meetings of shareholders and ensuring orderly conduct and proceedings of such meetings;
- (i) Ensuring effective communication with shareholders and stakeholders and that their views are communicated to the Board; and
- (j) Facilitating the contribution of Non-Executive Directors and ensuring constructive relations be maintained between Executive and Non-Executive Directors.

3.3.2 Role of the GMD

The position of the GMD in essence is to ensure the effective implementation of the Group's business 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.

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Generally, the GMD is responsible to the Board for the following key functions:

- (a) Develop and implement corporate strategies and business development for the Group;
- (b) Manage the team such that they deliver the strategies and plans approved by the Board;
- (c) Ensure the Company has an effective management team and structure as well as develop management skills and putting in place an effective management succession plan to sustain continuity of operations. The succession planning, including ensuring that processes are in place to recruit Senior Management with the highest standards of integrity and competence, and to train, develop and retain them;
- (d) Coordinates business plans with the businesses heads, coordinates management issues through the Board, and oversees divisional function groups and cost containment process in consultation with the Chief Financial Officer;
- (e) Ensure the efficiency and effectiveness of the operations for the Group and that the business and affairs of the Group are carried out in an ethical manner and in compliance with the relevant laws and regulations;
- (f) Achievement of Company's goals and observance of management authorities delegated by the Board;
- (g) Be the official spokesman for the Company and responsible for regulatory, governmental and business relationships;
- (h) Ensure that the financial management practice is performed at the highest level of integrity and transparency; and
- (i) Ensure that effective internal controls for the Group are instituted.

3.4 Appointments

- 3.4.1 The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the Nominating Committee via a customised questionnaire and fit and proper considerations.
- 3.4.2 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.
- 3.4.3 The Company Secretary has the responsibility of ensuring that relevant procedures relating to the appointments of new Directors are properly executed.
- 3.4.4 Upon the appointment of a new Director, the Company Secretary advises the Director of his/her principal duties and responsibilities and explains the restrictions to which he or she is subject to in relation to price-sensitive information and dealings in the Company's securities.
- 3.4.5 The Company has adopted an induction programme for newly appointed Directors. The induction programme aims at communicating to the newly appointed Directors, the Company's vision and mission, its philosophy and nature of business, current issues within the Company, the corporate strategy and the expectations of the Company concerning input from Directors. Induction of Directors may include, but not limited to, the following:
 - (a) provision of a copy of this Charter, recent board minutes, relevant company policies, most recent annual and interim reports to shareholders and information on the time commitment needed, as well as specific information about the Group;
 - (b) meetings with relevant management; and

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(c) site visits to major operating locations.

3.4.6 The Company has adopted educational / training programmes to update the Board in relation to new developments pertaining to the laws and regulations and changing commercial risks which may affect the Board and/or the Company.

3.4.7 In addition to the Mandatory Accredited Programme (MAP) as required by the Bursa Securities, Directors are required to attend relevant training courses/seminars at periodic intervals to keep them abreast with development pertaining to the oversight function of Directors as well as updates on technical matters, for example financial reporting standards, tax budgets, etc. The Board will assess the training needs of the Directors and ensure they undertake relevant continuing education programmes. Trainings attended by the Directors during the financial year will be disclosed in the Annual Report.

3.4.8 All Directors are expected to make proper and timely disclosure of new directorships to the Company Secretary.

3.4.9 The Board shall assess the independence of the Independent Directors on an annual basis and when any new interest or relationship develops.

3.5 Tenure of Directors

3.5.1 New Directors shall hold office only until the next Annual General Meeting at which they will retire but be eligible for re-election.

3.5.2 Pursuant to the Company's Constitution, all Directors shall be subjected to retirement by rotation and be eligible to offer themselves for re-election. The Nominating Committee is entrusted by the Board to evaluate the retiring Directors to ensure they have the appropriate skills, experience, knowledge, expertise and time commitment, via a customised questionnaire and fit and proper declaration, before recommending to the Board.

3.5.3 The tenure of an Independent Director should not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director. If the Board intends to retain an Independent Directors beyond nine (9) years, it should provide justification and seek annual shareholders' approval through a two-tier voting process. However, the tenure of an Independent Director in the Company or any related corporation of the Company shall not exceed a cumulative period of twelve (12) years from the date of his first appointment as an Independent Director.

3.5.4 Should the Board decide to appoint an Independent Director who had served as an Independent Director of the Company or any related corporation for more than twelve (12) years before and had observed the requisite 3-year cooling off period, the Board shall provide a statement justifying the nomination of the said Independent Director and explaining why there is no other eligible candidate in the notice of a general meeting.

3.6 Supply of Information

3.6.1 The Board should have access to all information pertaining to the Company. Senior Management should supply accurate and complete information to the Board in a timely manner to enable the Board to discharge its duties effectively.

3.6.2 The Chairman, assisted by the Company Secretary, assesses the type of information required to be provided to the Board. If the information provided by the Senior Management is insufficient, the Board will make further enquiries where necessary to which the persons responsible will respond as fully and promptly as possible.

3.7 Board meetings

3.7.1 The Board shall conduct at least four (4) scheduled meetings annually, with additional meetings to be convened as and when necessary.

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- 3.7.2 Board members are required to attend the Board meetings. However, other senior officers may be invited to attend meetings for items within their responsibility. The Board may also invite external parties such as the auditors, solicitors and consultants as and when the need arises.
- 3.7.3 The notice of a Board meeting with a full agenda and the supporting board papers should be circulated to all Directors in advance of each Board meeting. The minutes shall record the proceedings of the meeting, the tabling of pertinent issues and its deliberations, relevant suggestions and the decision made, including whether any Director abstained from voting or deliberating on a particular matter, as well as the rationale behind those decisions.
- 3.7.4 The draft minutes shall be circulated together with the Board papers at the following Board meeting.
- 3.7.5 Full Board minutes of each Board meeting are kept by the Company Secretary and are available for inspection by any Director during office hours.

4. BOARD COMMITTEES

The Board appoints the following Board Committees with specific terms of reference:

- Audit Committee
- Risk Management Committee
- Nominating Committee
- Remuneration Committee

Independent and Non-Executive Directors play a leading role in these Committees. The Management and third parties are co-opted to the Committees as and when required.

4.1 Audit Committee

The Audit Committee assists and supports the Board's responsibility to oversee the Group's operations by providing a means for (i) review of audit plans and audit reports with the Group's external auditors; (ii) review of auditors' evaluation of internal control system and management information systems; (iii) review of the scope, functions, competency and resources of internal audit function of which the internal auditors should report directly to Audit Committee; (iv) review of the quarterly and yearly financial statements; (v) appointment and re-appointment of the external auditors; and (vi) review of related party transactions and conflict of interest situations.

4.2 Risk Management Committee

The Risk Management Committee assists and supports the Board's responsibility to oversee the Group's operations by providing a means for (i) review of adequacy and effectiveness of risk management and internal control systems instituted within the Group and (ii) review of the adequacy and effectiveness of the risk management framework and ongoing activities for identifying, evaluating, monitoring and mitigating risks.

4.3 Nominating Committee

The Nominating Committee oversees matters relating to the nomination of new Directors, annually reviews the required mix of skills, experience and other requisite qualities of Directors as well as the annual assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director. An effective Nominating Committee will contribute towards ensuring that the Board composition meets the needs of the Company.

4.4 Remuneration Committee

The Remuneration Committee is primarily responsible for the recommendation to the Board regarding the remuneration packages of Executive Directors and Senior Management, assisting the Board in assessing the responsibility and commitment undertaken by Board members, and assisting the Board in ensuring the remuneration of the Executive Directors and Senior Management are reflective of the responsibility and commitment of the Directors and Senior Management concerned.

5. GENERAL MEETINGS

5.1 Annual General Meeting (AGM)

5.1.1 The Company regards the AGM as an important event in the corporate calendar of which all Directors and key senior executives should attend.

5.1.2 The Company regards the AGM as the principal forum for dialogue with shareholders and aims to ensure that the AGM provides an important opportunity for effective communication with, and constructive feedback from, the Company's shareholders.

5.1.3 The Chairman encourages active participation by the shareholders during the AGM.

5.1.4 The Chairman and, where appropriate, the GMD and Directors respond to shareholders' queries during the meeting.

5.2 Extraordinary General Meeting (EGM)

5.2.1 The Directors will consider requisitions by shareholders to convene an EGM or any other urgent matters requiring immediate attention of the Company.

6. RELATIONSHIP WITH SHAREHOLDERS AND STAKEHOLDERS

6.1 The Board shall maintain an effective communication policy that enables both the Board and Senior Management to communicate effectively with its shareholders, stakeholders and the general public.

6.2 The Board ensures the timely release of financial results on a quarterly basis to provide shareholders with an overview of the Company's performance and operations in addition to the various announcements made.

6.3 The Company conducts dialogues with financial analysts from time to time as a means of effective communication that enables the Board and Senior Management to convey information relating to the Company's performance, corporate strategy and other matters affecting shareholders' interests.

6.4 The Company's website provides easy access to corporate information pertaining to the Company and its activities and is continuously updated.

7. COMPANY SECRETARY

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

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

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- 7.3 The key role of the Company Secretary is to provide unhindered advice and services for the Directors, as and when the need arises, to enhance the effective functioning of the Board and to ensure regulatory compliance.
- 7.4 Other primary responsibilities of the Company Secretary shall include:
- (a) Attend Board, Board Committees, and general meetings and record the proceedings of the meetings;
 - (b) Advise the Board on its roles and responsibilities, which includes governance advice, rules and procedures, corporate disclosures and compliance requirements under the Companies Act 2016, Listing Requirements and MCCG;
 - (c) carrying out other functions as deemed appropriate by the Board from time to time.

8. CODE OF ETHICS AND CONDUCT

The Board, in discharging its role, is guided by the Code of Ethics and Conduct for Directors ("**the Code of Ethics**"). The Code of Ethics requires Directors to observe high ethical business standards, honesty and integrity. Directors are required to apply these values to all aspects of the Company's businesses and act in good faith in the best interests of the Company and its stakeholders.

In the performance of his/her duties, a Director should at all times observe the following standards of conduct:

- (a) A director must have a clear understanding of the aims and objectives, capabilities and capacity of the Company.
- (b) A director must act honestly, in good faith and in the best interests of the Company as a whole.
- (c) A director must use his/her powers for a proper purpose and in good faith in the best interest of the Company.
- (d) A director must use reasonable care, skill and diligence in discharging his/her duties.
- (e) A director should devote adequate time to the Company's activities.
- (f) A director must recognise that the primary responsibility is to the Company's shareholders as a whole but should, where appropriate, have regard for the interests of all stakeholders of the Company.
- (g) A director must not make improper use of the information acquired as a Director.
- (h) A director must not take improper advantage of his or her position as Director.
- (i) A director must not allow personal interests, or the interests of any associated person, to conflict with the interests of the Company.
- (j) A director has an obligation to be independent in judgement and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board.
- (k) A director should disclose immediately all contractual interests whether directly or indirectly with the Company.
- (l) A director can seek independent expert advice in accordance with the Company's policy on external advice.

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- (m) A director should not engage in conduct likely to bring discredit to the Company.

9. APPLICATION

9.1 The principles set out in this Charter are:

- (a) kept under review and updated as practices on corporate governance develop and further guidelines on corporate governance are issued by the relevant regulatory authorities; and
- (b) applied in practice having regard to their spirit and general principles rather than to the letter alone.

9.2 The Board endeavours to comply with the principles and practices set out in this Charter at all times.

9.3 This Charter may be amended by the Board as it deems appropriate.

This Charter was last reviewed by the Board on 23 May 2024 and is made available on the Company's website, www.samaiden.com.my.