

JCBNEXT BERHAD
[Registration No. 200401002875 (641378-W)]

BOARD CHARTER

Abbreviations included in this Board Charter

AGM	:	Annual General Meeting
Board	:	The Board of Directors of the Company
Bursa Securities	:	Bursa Malaysia Securities Berhad
Business	:	Business of the Group
CA 2016	:	Companies Act 2016, as amended from time to time and any re-enactment thereof.
CEO	:	Chief Executive Officer
Chairman	:	Chairman of the Board and is used in a gender neutral sense
Committee	:	The Board Committees of the Company
Company	:	JcbNext Berhad
Company Secretary	:	Board secretary (ies) or the person(s) normally exercising the functions of a Board secretary
Group	:	The Company and its subsidiaries
EGM	:	Extraordinary General Meeting
Independent Director	:	A Director who does not participate in the management of the Group and who satisfies the criteria for “independence” set out in the Paragraph 1.01 of the MMLR
Management	:	Management personnel of the Group
MMLR	:	Main Market Listing Requirements of Bursa Securities, as amended from time to time and any re-enactment thereof.
MCCG	:	Malaysian Code on Corporate Governance, as amended from time to time and any re-enactment thereof.
SC	:	Securities Commission Malaysia

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BOARD CHARTER

1. INTRODUCTION

The Board regards Corporate Governance as vitally important to the success of the Group's business and are unreservedly committed in ensuring that the following principles of good governance are practised in all of its business dealings in respect of its shareholders and relevant stakeholders:

- The Board is the focal point of the Group's Corporate Governance system. It is ultimately accountable and responsible for the performance and affairs of the Group.
- All Board members are expected to act in a professional manner, thereby upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.
- All Board members are responsible in ensuring the Group achieves a high level of good governance.
- This Board Charter sets out the principles for the operation of the Group and describes the functions of the Board and those functions delegated to Management of the Company.

The Board 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 is 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 change.

This Board Charter incorporates the Principles and Practices of the MCCG, as considered appropriate, MMLR on corporate governance, certain aspects of the Company's Constitution and relevant portions of the CA 2016 in so far as the duties and responsibilities of Directors are concerned.

This Board Charter is established to promote high standards of corporate governance and is designed to provide guidance and clarity for Directors and Management with regards to the roles of the Board and its Committees, the requirements of Directors in carrying out their stewardship roles and in discharging their duties towards the Group as well as the Board's operating practices. This

Board Charter does not overrule or pre-empt the statutory requirements of Directors enshrined in the CA 2016, the Income Tax Act, 1967 and other relevant statutes, including the conduct of the Board as stipulated in the Constitution of the Company. To the extent of any conflict between the terms of this Board Charter and a Constitution, that Constitution prevails.

2. OBJECTIVES

The objectives of this Board Charter are to ensure that all Board members are aware of their duties and responsibilities as Board members and the various legislations and regulations affecting their conduct and that the principles and practices of good Corporate Governance are applied in all their dealings in respect, and on behalf of, the Group.

In pursuit of the ideals in this Board Charter, the intention is to exceed "minimum legal requirements" with due consideration to recognised standards of best practices locally and internationally.

3. THE BOARD

3.1 Roles and Responsibilities

- 3.1.1 The Board is charged with leading and managing the Group in an effective and responsible manner. Each Director has a legal duty to act in good faith, to use reasonable care, skill and diligence and to act in the best interest of the Group. The Directors, collectively and individually, are aware of their responsibilities to shareholders and stakeholders for the manner in which the affairs of the Group are managed. The Board sets the Group's values and standards and ensures that its obligations to its shareholders and stakeholders are understood and met.
- 3.1.2 The Board is fully committed to developing and maintaining high standards of corporate governance by implementing the prescriptions of the principles and practices stated in the MCCG. The Board includes a narrative statement in the Company's Annual Report on the extent of compliance with the principles and best practices in Corporate Governance pursuant to Paragraph 15.25 of the MMLR.
- 3.1.3 The Board ensures that the Company complies with the various guidelines issued by Bursa Securities and the SC relating to disclosure and internal audit functions.
- 3.1.4 Duties of the Board include establishing the corporate vision and mission, as well as the philosophy of the Group, setting the aims of Management and monitoring the performance of Management.
- 3.1.5 The Board is also responsible to oversee the overall issue of corruption, fraud, bribery, malpractice and unethical conduct within the organisation, by the formulation of a strong governance, ethical and integrity culture within the Group.

- 3.1.6 The Board shall ensure that Management/Committees has in place appropriate processes for risk assessment, management and internal controls and monitoring performance against agreed benchmarks.
- 3.1.7 The Board shall reserve a formal schedule of matters for its decision to ensure that the direction and control of the Group is firmly in its hands. This includes the following:
- (i) Strategic issues and planning;
 - (ii) Material acquisitions and disposition of assets not in the ordinary course of business including significant capital expenditures;
 - (iii) Treasury policies;
 - (iv) Risk management policies;
 - (v) Appointment of auditors and review of the financial statements encompassing annual audited financial statements and quarterly reports;
 - (vi) Reviewing and approving new investments, divestments, mergers and acquisitions, establishment of subsidiaries or joint ventures, and any other corporate exercises which requires the shareholders' approval;
 - (vii) Financing and borrowing activities;
 - (viii) Ensuring regulatory compliance;
 - (ix) Reviewing the adequacy and integrity of internal controls;
 - (x) Declaration of dividends;
 - (xi) Business plans and budget;
 - (xii) Appointment of Directors, CEO, Chief Financial Officer and other key responsible persons;
 - (xiii) Key human resource issues;
 - (xiv) Limits of Authority;
 - (xv) Conflict of interest issue relation to a substantial shareholder or a Director including approving related party transactions;
 - (xvi) Code of Business Conduct & Ethics, Code of Ethics of Directors, frameworks, policies and procedures; which were previously approved by the Board; and
 - (xvii) sustainability risks and opportunities.
- 3.1.8 The Board should, among others undertake the following:
- (i) Strategic planning - to review and approve strategies, business plans and key policies for the Group and monitor Management's performance in implementing them to determine whether the business is being properly managed;
 - (ii) Corporate goal - to set corporate values and clear lines of responsibility and accountability, including governance systems and processes that are communicated throughout the Group;
 - (iii) Compliance to regulation - to ensure full compliance and to carry out the duties of the Board in accordance with the relevant provisions of the MMLR, the Capital Markets and Services Act 2007, the CA 2016, the MCCG and all applicable laws, regulations and guidelines;

- (iv) Independent and transparent - to ensure that there shall be unrestricted access to independent advice or expert advice at the Company's expense in furtherance of the Board's duties;
- (v) Remuneration of Non-Executive Directors - determining the remuneration of non-executive Directors, with the individuals concerned abstaining from discussions of their own remuneration
- (vi) Code of conduct - to formalise the ethical standards through a code of conduct which will be applicable throughout the Group and ensure compliance to this code of conduct;
- (vii) Succession planning - to ensure that Management has the necessary skills and experience, has and there is a proper and robust succession plan for its Management and Executive Directors in place. Succession planning refers to the process of selecting, training, appointing, monitoring, evaluating and if warranted, replacing any management to ensure succession;
- (viii) Management proposals - to review, challenge and decide on Management's proposals for the Group, and monitor its implementation by Management;
- (ix) Judgmental timing - to ensure that the Board has adequate procedures in place to receive reports from Management periodically and / or on a timely manner, so that the Board has reasonable grounds to make proper judgement on financial matters and business prospects of the Group on an ongoing basis;
- (x) Financial and non-financial reporting - to ensure all its directors are able to understand financial statements and form a view of the information presented, and to ensure the integrity of the Group's financial and non-financial reporting. Each director shall read the financial statement of the Group and carefully consider whether what they disclose is consistent with the director's own knowledge of the Group's affairs;
- (xi) Related party management - to establish procedures to assess any related party transactions or conflict of interest situations that may arise within the Company or Group, including any transaction, procedure or course of conduct that raises questions of management integrity;
- (xii) Board committee - to establish and ensure the effective functioning and monitoring of the Board Committees then to delegate appropriate authority and terms of reference to such committees established by the Board;
- (xiii) Board balance - to strive to achieve an optimum balance and dynamic mix of competent and diverse skillsets amongst the members of the Board;

- (xiv) Governance culture - together with Management, promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour; and
- (xv) Stakeholder communication - to ensure that the Group has in place procedures to enable effective communication with stakeholders.

3.1.9 The Board will direct and supervise the Management, the business and affairs of the Group including, in particular:-

- (i) Sustainability management - to review and adopt a strategic plan for the long-term value creation and includes strategies on economic, environment and social considerations underpinning sustainability to ensure the effective implementation of the Group's sustainability strategies and plans;
- (ii) Performance management - to establish policies for strengthening the performance of the Group including ensuring that the Management is proactively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital;
- (iii) Risk management - to identify principal risks, set the risk appetite within which the Board expects the Management to operate and ensure the implementation of appropriate systems to manage the significant financial and non-financial risks and to ensure there is a sound framework for internal controls and risk management;
- (iv) Internal audit - to establish an internal audit function to obtain assurance of regular review and / or appraisal of the effectiveness of the system of internal controls within the Company and Group. The Board should explain in summary the means that exist for obtaining such assurance of regular review and / or appraisal;
- (v) Internal control - to review the adequacy and integrity of the Group's internal control system and management information systems, including systems for complying with applicable laws, regulations, rules, directives and guidelines;
- (vi) Debt repayment capacity - to decide on whatever steps necessary to protect the Company's and Group's financial position and the ability generate cash flow to meet its debts and other obligations when they fall due, and ensuring that such steps are taken; and
- (vii) Law and regulations - to ensure that the operations of the Company are conducted prudently and within the framework of relevant laws and regulations.

3.2 Composition and Board Balance

3.2.1 The Board shall consist of qualified individuals with the benefit of diversity in extensive experience, cultural backgrounds, age, gender, perspectives, competencies, knowledge and skills. The Board acknowledged the importance to promote gender diversity and does not set a restriction on having female directors(s) on the Board.

The Constitution provides a minimum of two (2) and a maximum of fifteen (15) Directors. The composition and size of the Board should be such that it facilitates the making of informed, critical decisions without limiting the level of individual participation, involvement and effectiveness.

3.2.2 In accordance with Paragraph 15.02 of the MMLR of Bursa Securities, at least two (2) or one-third (1/3), whichever is higher, of the Board members shall comprise of Independent Directors. If the number of directors of the Company is not three (3) or a multiple of three (3), then the number nearest one-third (1/3) must be used. The Independent Directors provide independent judgement, experience and objectivity without being subordinated to operational considerations.

3.2.3 In the event of any vacancy in the Board, resulting in non-compliance with clause 3.2.2 above, the Company must fill the vacancy within three (3) months.

3.2.4 The CEO and the Executive Director(s) are the “Executive” Directors on the Board. However, the views of the Management are represented at meetings of the Board by the presence of senior executives when required.

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 Board may appoint a Senior Independent Director to whom shareholders’ concerns can be conveyed if there are reasons that contact through the normal channels of the Chairman or the CEO have failed to resolve them.

3.2.7 No person shall be appointed, elected or re-elected as a Director on the Board or continue to serve as a Director if the person is or becomes an active politician. A person is considered an “active politician” if he is a Member of Parliament, State Assemblyman or holds position as the Supreme Council or division level in a political party.

3.2.8 The Board recognises the significant representation by Directors who are capable and willing to make Business decisions and judgement in the best interest of the Group and free from influences which would give rise to conflict of interest with that duty and are also independent of Management. The Board decision making process should be independent and objective.

The Board will review annually the independence of each non-executive Director in light of information relevant to the assessment as disclosed by the Director to the Board.

The Board only considers Directors to be independent where they are independent of management and free from any business or other relationship that could materially interfere with – or could reasonably be perceived to interfere with – the exercise of their unfettered and independent judgement.

The Board must give effect to the spirit, intention and purpose of the above definition. The Director concerned as well as the Board must still apply the test of whether the said Director is able to exercise independent judgment and act in the best interests of the Company.

- 3.2.9 The Board recognises the need for an appropriate balance between executive Directors who possess extensive direct experience and expertise in the core Business activities and day-to-day operations of the Group, and non-executive Directors who have outstanding track records and reputation, and who are able to bring to the Board a broad range of general commercial expertise and experience.
- 3.2.10 Annual assessment on the effectiveness of the Board, Board Committees and Individual Directors will be carried out with the objective to draw attention of the Board key areas that need to be improved.

3.3 Appointments

- 3.3.1 The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the Nomination Committee. Further, in identifying candidates for appointment of directors, the Board does not solely rely on recommendations from existing Board members, Management or major shareholders. The Board may utilise a variety of independent sources to identify suitably qualified candidates.
- 3.3.2 Without limiting the generality of the foregoing, the qualifications for Board membership are the ability to make informed business decisions and recommendations, an entrepreneurial talent for contributing to the creation of shareholder value, relevant experience in regional and/or international markets, ability to ask probing operational related questions, high ethical standards, sound practical sense and total commitment to furthering the interests of shareholders and the achievement of the Group's goals.
- 3.3.3 The Company Secretary has the responsibility of ensuring that relevant procedures relating to the appointments of new Directors are properly executed.
- 3.3.4 The Company has adopted an induction programme for newly appointed Directors. The induction programme aims at communicating to the newly appointed Directors, the Group's vision and mission, its philosophy and nature of business, current issues within the Group, the corporate strategy and the expectations of the Company concerning input from Directors.

- 3.3.5 In addition to the Mandatory Accredited Programme as required by the Bursa Securities, Board members are also encouraged to attend training programmes conducted by highly competent professionals and which are relevant to the Group's operations and business. The Board will assess the training needs of the Directors and disclose in the Annual Report the trainings attended by the Directors. In special circumstances, valid justification for non-attendance at any training by Directors for the financial year shall also be disclosed.
- 3.3.6 The tenure of the executive Directors are tied to their executive office.
- 3.3.7 The Board shall undertake an assessment of its Independent Directors annually.
- 3.3.8 In line with the MCCG, the tenure of an independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9)-year period, an Independent Director may continue to serve on the Board subject to the Director's re-designation as Non-Independent Director. If the Board intends to retain an Independent Director beyond nine (9) years, it should be subjected to annual assessment by the Board Committees, regarding the independence and contributions; and annual shareholders' approval through two-tier voting process in a general meeting, where the Board provides valid justification on the recommendation in the explanatory notes to the resolution in the notice of a general meeting.

The two-tier voting process guided by the MCCG as follows:-

Tier 1: Only the large shareholder(s) of the Company votes; and
Tier 2: Shareholders other than large shareholder(s) votes.

Large shareholder(s) means a person who –

- (a) is entitled to exercise, or control the exercise of, not less than 33% of the voting shares in the Company;
- (b) is the largest shareholder of voting shares in the Company;
- (c) has the power to appoint or cause to be appointed a majority of directors of the Company; or
- (d) has the power to make or cause to be made, decisions in respect of the business or administration of the Company, and to give such effect to such decisions or cause them to be given effect to.

The decision for the resolution is determined based on the simple majority of votes of Tier 1 and a simple majority of votes of Tier 2. The resolution is deemed successful if both Tier 1 and Tier 2 votes support the resolution. The resolution is deemed defeated where the vote between the two tiers differs or where Tier 1 voter(s) abstained from voting.

The Board shall undertake a rigorous review to determine whether the "independence" of the director has been impaired to justify retaining an Independent Director beyond the cumulative term limit of nine (9) years. Findings

from the review shall be disclosed to the shareholders for them to make an informed decision.

3.4 Time Commitment

3.4.1 A Director should inform the Board's Chairman before he/she accepts any new directorships in public listed companies or other companies, which may give rise to potential conflict of interest. The notification shall explain the expectation and an indication of time commitment that will be spent on the new appointments. Each Board member must not hold directorships at more than five (5) listed issuers.

3.5 Re-election

3.5.1 In accordance with the Company's Constitution, one-third (1/3) or the number nearest to one-third (1/3) shall retire from office at each AGM. A retiring Director is eligible for re-election. Directors shall retire from office at least once every three (3) years but shall be eligible for re-election at the AGM. Any new or additional Director appointed by the Board during the year to fill a casual vacancy or as an addition shall hold office only until the next AGM and shall then be eligible for re-election. The election of each Director is voted separately.

3.5.2 The Board shall provide a statement as to whether it supports the appointment or reappointment of the director and the reasons.

3.5.3 The criteria for the recruitment or appointment (including re-election/ re-appointment) of Director is guided by fit and proper assessment by the Nomination Committee.

3.6 Duty To Disclose Interest

3.6.1 The Constitution stipulates that every Director who may have direct or indirect interest in any contract or proposed contract or arrangement with the Company and/or Group shall immediately declare his/her interest to the Board and shall not participate in deliberations and shall abstain himself/herself from casting his/her votes in any matter arising therefrom.

3.6.2 Should there be an actual, potential or perceived conflict of interest between the Group and a Director, or an associate of a Director such as a spouse, other family member, or a related company (*as defined under Section 197 of the CA 2016*), the Director involved shall make full disclosure and act honestly in the best interest of the Group:-

- a) Director shall immediately inform the Audit and Risk Committee in respect of their direct and indirect interests in any businesses or corporations which carry on similar trade as that of the Group; and
- b) Every Director shall comply with the provisions of Sections 219 and 221 of the CA 2016 in connection with the disclosure of his shareholding and interests in the Company and his interest in any contract or proposed contract

with the Company or its subsidiaries and in connection with the disclosure, every Director shall state the fact and the nature, character and extent of any office or possession of any property whereby whether directly or indirectly duties or interests might be created in conflict with his duty or interest as a Director of the Company.

- 3.6.3 Any substantial dealings with a Director or a person connected to the Director must be approved by the Shareholders in accordance with the provisions in the MMLR.

3.7 Board Processes

- 3.7.1 The Board meets at least once every quarter to facilitate the discharge of their responsibilities. Members of Management who are not Directors may be invited to attend and speak at meetings on matters relating to their sphere of responsibility.

- 3.7.2 The quorum necessary for the transaction of business of the Directors shall be fixed by the Directors from time to time and unless so fixed, the quorum shall comprise two (2) Directors.

- 3.7.3 Any Director may participate at a Board Meeting or Committee Meeting by way of telephone and video conferencing or by means of other communication equipment in which event such Director shall be deemed to be physically present at the meeting and shall be taken into account in ascertaining the presence of a quorum at the meeting. All resolutions, attendance, transactions, quorums and votes obtained through electronic means shall be deemed valid and effective unless it contravenes the requirements of relevant statutes and regulations.

- 3.7.4 Questions arising at any Board meeting shall be decided by a majority of votes, each Director having one (1) vote and in case of an equality of votes, the Chairman shall have a second or casting vote except when only two (2) Directors are present and form a quorum or only two (2) are competent to vote on the question at issue, the Chairman shall not have a casting vote.

- 3.7.5 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. 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.

- 3.7.6 All Directors have the same right of access to all information and Senior Management within the Group whether collectively as a Board or in their individual capacity in furtherance of their duties and responsibilities as Directors of the Company.

- 3.7.7 All information and documentation received by the Board from the Company shall be treated as confidential, unless otherwise expressly decided by the Board and in accordance with the relevant laws, requirements and MMLR.

- 3.7.8 All Directors should have access to the advice and services of the Company Secretary. The Board should recognise that the Chairman is entitled to the strong and positive support of the Company Secretary in ensuring the effective functioning of the Board.
- 3.7.9 The Management is responsible for providing the Board with the required information in an appropriate and timely manner. If the information provided by the Management is insufficient, the Board will make further enquiries where necessary to which the persons responsible will respond as fully and promptly as possible.
- 3.7.10 The notice of each Board Meeting should be given in writing at least seven (7) days prior to the meeting or such other period as deemed appropriate by the Board.
- 3.7.11 A well-prepared board agenda will enhance the Board's productivity and strengthen its strategic and supervisory role. The Chairman, in conjunction with the executive Director(s) and the Company Secretary, shall undertake the primary responsibility for preparing the Board's agenda. 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.
- 3.7.12 As a matter of best practice and to allow ample time for Directors to consider the relevant information, Board papers and agenda items are to be circulated at least five (5) business days prior to the meeting or such other period as deemed appropriate by the Board. It is recommended that where there is a need to table a report, a brief listing of findings and/or recommendations is prepared.
- 3.7.13 Full Board minutes of each Board meeting are kept by the Company Secretary and are available for inspection by any Director during office hours.
- 3.7.14 If, on any matter discussed at a Board Meeting, any Director holds views contrary to those of any of the other Directors, the Board minutes will clearly reflect this.
- 3.7.15 All Meetings of the Board will be conducted in accordance with the Constitution of the Company and applicable laws.
- 3.7.16 The Board as well as any Director is entitled to obtain independent professional advice relating to the affairs of the Group or to his or her responsibilities as a Director, subject to Paragraph 3.7.17 below.
- 3.7.17 If a Director considers such advice necessary for the discharge of his or her duties and responsibilities as Director and for the benefit of the Company, such Director shall obtain the Board's prior approval, and in seeking such advice, shall be required to comply with the following procedures:
- The request shall be made in writing to the Board;

- The Director concerned shall prepare a detailed paper to be submitted to the Board, highlighting inter alia the purpose behind the request and the estimated costs for the advice; and
- The Board shall deliberate on the said paper and at its absolute discretion determine if the Director concerned shall be permitted to seek independent professional advice. Should a request be denied, the Director concerned is entitled to have his or her views duly recorded.

3.7.18 The cost of the advice shall be reimbursed by the Company. The Board or the Director, as the case may be, shall ensure that so far as is practicable, the cost is reasonable.

4. CHAIRMAN AND CEO

The Company aims to ensure a balance of power and authority between the Chairman and the CEO with a clear division of responsibility between the running of the Board and the Group's business respectively. The positions of Chairman (ie. Non-Executive Chairman) and CEO are separated and clearly defined.

4.1 Chairman

4.1.1 The Chairman is responsible for instilling good corporate governance practices as well as carries out an effective leadership role in the conduct of the Board and its relations with the Shareholders and other stakeholders. The Chairman of the Board should not be involved in the Board Committees to ensure there is check and balance as well as objectives review by the Board. The Chairman is primarily responsible for:

- a) leading the Board in setting the values and standards of the Group;
- b) maintaining a relationship of trust with and between the Executive and Non-Executive Directors;
- c) leading Board meetings and discussion;
- d) setting the Board agenda and ensuring the provision of accurate, timely and clear information to Directors;
- e) managing the interface between Board and Management;
- f) leading the Board in adoption and implementation of good corporate governance practices in the Company;
- g) ensuring effective communication with shareholders and relevant stakeholders and that their views are communicated to the Board as a whole;
- h) ensuring that general meetings support meaningful engagement between the

Board, Management and Shareholders. The engagement should be interactive and include robust discussion on among others the Company's financial and non-financial performance as well as the Company's long-term strategies;

- i) arranging regular evaluation of the performance of the Board, its Committees and individual Directors;
- j) facilitating the effective contribution of Non-Executive Directors and ensuring constructive relations be maintained between Executive and Non-Executive Directors; and
- k) leading the Board on its succession planning program for Board and Senior Management levels.

4.1.2 The Chairman is responsible for running the business of the Board to ensure that:

- all Directors are properly briefed on issues arising at Board meetings.
- sufficient time is allowed for the discussion of complex or contentious issues and, where appropriate, arranging for informal meetings beforehand to enable thorough preparation for the Board discussion.
- the issues discussed are forward looking and focused on strategy.

4.1.3 The Chairman ensures that every Board resolution is put to vote to ensure the will of the majority prevails and any concern or dissenting views expressed by any Director on any matter deliberated at meetings of the Board are adequately addressed and duly recorded in the relevant minutes of meetings.

4.1.4 The Chairman ensures that Executive Directors look beyond their executive functions and accept their full share of responsibilities on governance.

4.2 CEO

4.2.1 The CEO is the conduit between the Board and the Management in ensuring the success of the Group's governance and management functions.

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

4.2.3 The CEO has the executive responsibility for the day-to-day operation of the Group's business.

4.2.4 The CEO implements the policies, strategies and decisions adopted by the Board.

4.2.5 All Board authorities conferred on the Management is delegated through the CEO and this will be considered as the CEO's authority and accountability as far as the Board is concerned.

4.2.6 Generally, the CEO is responsible to the Board for the following:

- a) 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 against and the analysis of management reports;
- b) effectively oversees the human resources of the Group with respect to key positions in the Group's hierarchy, determination of remuneration as well as terms and conditions of employment for senior Management and issues pertaining to discipline;
- c) assures that the Group's corporate identity, products and services are of high standards and are reflective of the market environment;
- d) be the official spokesman for the Group and responsible for regulatory, governmental and business relationships;
- e) coordinates business plans with the business heads, coordinates management issues through the Board, and oversees divisional function groups and cost containment process in consultation with the Chief Financial Officer and the Regional Office or Head Office;
- f) maintains and facilitates a positive working environment and good employee relations;
- g) be one (1) of the official spokespersons for the Company and responsible for regulatory, governmental and business relationships;
- h) promoting a high degree of corporate governance and ethics across the Group;
- i) assists in the selection and evaluation of Board members through the Nomination and Remuneration Committees;
- j) 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; and
- k) manage and monitor the Group sustainability strategies, priorities and targets, including the integration of sustainability considerations in the operations of the Group.

In discharging the above responsibilities, the CEO can delegate appropriate functions to the Senior Management, who shall report to the CEO.

5. ROLES 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 MMLR.

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

- to make independent assessment of the information, reports or statements, having regard to the Directors' knowledge, experience and competence, to provide independent view and demonstrate objectivity in reviewing and challenging the management's proposals at meetings;
- to bring impartiality and scrutiny to Board's deliberations and decision-making and also serve to stimulate and constructively challenge the Management in an objective manner;
- to devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes, so as to keep abreast of industry issues, market development and trend, and enable them to sustain their active participation in Board deliberations;
- act as a channel of communication between Management, shareholders and other stakeholders, and provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied; and
- ensure that there are adequate systems, controls and check and balance to safeguard the interests of the Company and all stakeholders.

6. ROLES OF SENIOR INDEPENDENT DIRECTOR

The roles 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;

- mitigate any possible conflict of interest between the decision-making process and daily management of the Company;
- serve as the principal conduit between the Independent Directors and the Chairman on sensitive issues;
- lead the succession planning and appointment of directors, and oversee the development of a diverse pipeline for board and management succession, including the future Chairman, Executive Directors, and CEO;
- lead the annual review of board effectiveness, ensuring that the performance of each individual director and Chairman of the Board are independently assessed; 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 the CEO.

7. BOARD COMMITTEES

The Board appoints the following Board Committees:

- Audit and Risk Committee (ARC)
- Nomination Committee (NC)
- Remuneration Committee (RC)
- Employees Share Option Scheme (ESOS) Committee (ESOS 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. Details of the memberships of ARC, NC and RC appointed by the Board and a summary of the terms of reference of the ARC, NC and RC are published in the Annual Report.

7.1 ARC

The ARC assists and supports the Board's responsibility of overseeing the Group's operations by providing a means for review of the Group's processes for producing financial data, its internal controls, risk management activities and independence of the Group's External and Internal Auditors.

The ARC also reviews audit report and related party transactions that arise between the Company and its related parties.

To consider other topics or subject matters as defined by the Board.

7.2 NC

The NC oversees matters related 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 as well as identify candidates to fill Board vacancies and nominating them for approval by the Board. The tenure of each director would be reviewed by the Nomination Committee and annual re-election of a director would be contingent on satisfactory evaluation of the director's performance and contribution to the Board.

It also ensures that all Directors receive suitable continuous training programmes to broaden their perspectives and to keep abreast with developments in the market, statutory and regulatory requirements.

7.3 RC

The RC is primarily responsible for recommending to the Board the remuneration framework for Directors as well as reviewing the remuneration package for Executive Directors and Senior Management.

8. REMUNERATION LEVELS OF DIRECTORS

- 8.1 The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors needed to run the Group 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.
- 8.2 The level of remuneration for the CEO and Executive Directors is recommended by the RC to the Board after giving due consideration to the compensation levels for comparable positions among other similar Malaysian public listed companies with the CEO and individual Director concerned abstaining from discussing his/her individual remuneration.
- 8.3 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.
- 8.4 The fees and benefits payable to the directors shall from time to time be determined by an ordinary resolution of the Company in general meeting and shall (unless otherwise provided) be divisible among the Director as they may agree.
- 8.5 Salaries and other emoluments payable to Executive Directors pursuant to a service contract need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission on or percentage of turnover.
- 8.6 No Director other than the CEO and Executive Directors shall have a service contract with the Company or its subsidiaries.

- 8.7 There is adequate disclosure in the Annual Report with a note on the remuneration of Directors.

9. ACCOUNTABILITY AND AUDIT

9.1 Financial Reporting

- 9.1.1 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.
- 9.1.2 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.
- 9.1.3 The Group's practice is to announce to Bursa Securities its quarterly financial results as early as possible within two (2) months after the end of each quarterly financial period.
- 9.1.4 The Auditors Report shall contain a statement from the Auditors explaining their responsibility in forming an independent opinion, based on their audit, of the financial statements

9.2 Company Auditors

- 9.2.1 The Board has established formal and transparent arrangements for considering how financial reporting and internal control principles will be applied and for maintaining an appropriate relationship with the Company Auditors through the ARC.
- 9.2.2 The ARC 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 ARC ensures that the Company Auditors do not supply a substantial volume of non-audit services to the Company and/or its subsidiaries.
- 9.2.3 Appointment of the Company Auditors is subject to approval of shareholders at general meeting. The Company Auditors have to retire during the AGM every year and be re-appointed by shareholders for the ensuing year.

9.3 Internal Controls and Risk Management

- 9.3.1 The Board has overall responsibility of 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.

- 9.3.2 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 Internal Audit has direct access to the Board through the Chairman of the ARC.
- 9.3.3 The Company is committed to ensure that risk management practices and culture are entrenched into all business processes and operations to drive effective decision making and management practice. The risk management process will enable the identification assessment, monitoring and management at material risk throughout the Group.
- 9.3.4 The Board ensures the system of internal controls and enterprise risk management are reviewed on a regular basis by the ARC.
- 9.3.5 The ARC receives reports regarding the outcome of such reviews on a regular basis.

10. GENERAL MEETINGS

10.1 AGM and EGM

- 10.1.1 The Company regards the AGM as an important event in the corporate calendar of which all Directors and key senior executives should attend.
- 10.1.2 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.
- 10.1.3 The Chairman encourages active participation by the shareholders during the AGM.
- 10.1.4 The Chairman and, where appropriate, the CEO responds to shareholders' queries during the meeting. In the performance of this responsibility, the Chairman and the CEO shall be mindful of the regulatory requirements pertaining to price sensitive information. Where necessary, the Chairman will undertake to provide a written answer to any significant question that cannot be readily answered at the meeting.
- 10.1.5 The Directors will consider requisitions by shareholders to convene an EGM or any other urgent matters requiring immediate attention of the Company.
- 10.1.6 All the Directors shall attend the AGM and/or EGM unless with valid justifications for non-attendance.

11. INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

- 11.1 The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Group and as such adopts an open and transparent policy in respect of its relationship with its shareholders and investors.
- 11.2 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.
- 11.3 The Company conducts dialogues with financial analysts from time to time as a means of effective communication that enables the Board and Management to convey information relating to the Group's performance, corporate strategy and other matters affecting shareholders' interests.
- 11.4 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 with a brief description to include matters such as age, gender, working experience and any conflict of interest as well as directorship in other companies as pursuant to the MMLR;
 - ensure that the Chairman provides reasonable time for discussion at the meeting. Where appropriate and if required, the Chairman will also undertake to provide written answer to any significant question which cannot be answered immediately;
 - conduct a business presentation with a question and answer session, where appropriate and if required;
 - ensure that the conduct of a general meeting (virtual or hybrid) support meaningful engagement between the Board, Senior Management and Shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders;
 - 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; and

- 11.5 A press conference will normally be held after each general meeting. At this press conference, the Chairman and/or CEO and/or CFO and/or Senior Management will give a media briefing explaining the Group's results, prospects and outline any specific event for notation. All press releases will be vetted by the CEO or CFO to ensure that information that has yet to be released to Bursa Securities is not released to the press.
- 11.6 The Group's website, http://www.jcbnext.com/?page_id=183, provides easy access to corporate information pertaining to the Group and its activities and is continuously updated.

12. WHISTLE-BLOWING POLICY

To enhance corporate governance practices across the Group, a whistle-blowing policy was adopted which provides Directors, officers, employees and stakeholders of the Group with an avenue to report suspected improprieties such as illegal or unlawful conduct, contravention of the Group's policies and procedures, acts endangering the health or safety of any individual, public or employee, and any act of concealment of improprieties. The aim of this policy is to encourage the reporting of such matters in good faith, with the confidence that the person filing the report, to the extent possible, be protected from reprisal, victimisation, harassment or subsequent discrimination.

13. RELATIONSHIP WITH OTHER STAKEHOLDERS

- 13.1 In the course of pursuing the vision and mission of the Group, the Board recognises that no business organisation can exist by maximising shareholders value alone. In this regard, the needs and interests of other stakeholders are also taken into consideration.
- 13.2 The Board is responsible for:
- a) ensuring the Group's strategies promote sustainability;
 - b) ensuring the rights of other stakeholders are not compromised;
 - c) ensuring the Group has in place a policy to enable effective communication not just with shareholders, but with all stakeholders;
 - d) establishing policies governing the Group's relationship with other stakeholders and the broader community; and
 - e) establishing and maintaining environmental, employment and occupational health and safety policies.

14. COMPANY SECRETARY

14.1 The appointment and removal of the Company Secretary is a matter for the Board as a whole. The Board recognises the fact that the Company Secretary should be suitably qualified and capable of carrying out the duties required of the post.

14.2 The key roles of the Company Secretary are 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.

14.3 Other primary responsibilities of the Company Secretary shall include:

- advise the Board on matters related to corporate disclosure and compliance with the CA 2016, securities regulation and the MMLR;
- advise the Board on its roles and responsibilities;
- 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;
- manage processes pertaining to the annual shareholders meeting;
- monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations;
- serve as a focal point for stakeholders' communication and engagement on corporate governance issues;
- ensuring that Board procedures and applicable rules are observed;
- maintaining records of the Board and ensure effective management of the Company's statutory records;
- preparing comprehensive minutes to document Board proceedings and ensure conclusions are accurately recorded;
- assisting the communications between the Board and Management;
- providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time; and
- preparing agendas and co-ordinating the preparation of the Board papers in a timely and effective manner.

15. ANTI-BRIBERY AND CORRUPTION POLICY

- 15.1 The Board has adopted an Anti-Bribery and Corruption Policy (“**ABAC Policy**”) to set out parameters to prevent the occurrence of bribery and corrupt practices in relation to the businesses of the Group. The Group is committed to acting professionally, fairly and with integrity in all business dealings and relationships. This ABAC Policy is applicable to all employees and Directors of the Group. The business partners, suppliers and any third parties having a business relationship with the Group are expected to strictly adhere to the relevant sections of the ABAC Policy. This policy covers the gifts and hospitality, facilitation payments to officer of public body, third parties and agencies, political contribution and charitable contribution.

16. APPLICATION

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

17. PERIODIC REVIEW

This Board Charter is to be regularly reviewed by the Board as and when required and published on the Company’s website. This Board Charter may be amended by the Board as it deems appropriate to ensure its relevance and effectiveness.

This Board Charter is reviewed and approved by the Board of Directors via Directors’ Circular Resolution dated 26 April 2022.