



激成(马来西亚)有限公司
KECK SENG (MALAYSIA) BERHAD

BOARD CHARTER

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BOARD CHARTER

1. INTRODUCTION

The Board of Directors (**“Board”**) is responsible for the stewardship of Keck Seng (Malaysia) Berhad (**“Company”**)’s business and affairs with a view to enhance long term shareholders value as well as investors’ interests while taking into account the interests of other stakeholders and maintaining high standards of transparency, accountability and integrity.

This Board Charter incorporates the Malaysian Code on Corporate Governance (**“MCCG”**), as considered appropriate, the Companies Act 2016 (**“the Act”**), the Constitution of the Company and the Main Market Listing Requirements (**“Listing Requirements”**) of Bursa Malaysia Securities Berhad (**“Bursa Securities”**).

2. PURPOSE OF THE CHARTER

This Board Charter sets out the roles and responsibilities, and authorities of the Board (individually and collectively) in setting the strategic direction, the management and the control of the Company and its group of companies (collectively **“Group”**).

3. RESPONSIBILITIES OF THE BOARD

- 3.1 All directors of the Company (collectively **“Directors”**) shall at all times act with integrity and exercise their powers for a proper purpose and in good faith in the best interests of the Group.
- 3.2 The responsibilities of the Board include:
 - (a) to set the objectives and overall direction of the Group;
 - (b) to provide leadership to the Management in the operation of the Group;
 - (c) to establish committees, policies and procedures that will facilitate effective discharge of the Board’s roles and responsibilities;
 - (d) to establish and review performance indicators, control mechanisms, and related benchmarks that will allow the Board to satisfy itself that the Group is being managed properly;
 - (e) to monitor financial position and evaluate the overall performance of the Group, including to approve the annual and quarterly results;
 - (f) to speak with one voice regarding Board decisions;

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- (g) to have in place an appropriate risk management framework which ensure material risks and sustainability matters are identified and appropriate control, monitoring and reporting mechanisms are in place;
 - (h) to ensure that the succession plan for the Group is considered;
 - (i) to oversee the communication with shareholders and other stakeholders;
 - (j) ensure that there is a sound framework for internal controls and risk management;
 - (k) to ensure that the Group has appropriate corporate disclosure policies and procedures;
 - (l) to ensure that the Group has appropriate corporate governance structures in place; and
 - (m) 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.
- 3.3 The Board shall delegate the authority and responsibility for the operations and administration of the Group to the Managing Director. The Board has no operational involvement in the conduct of the Group's business activities and delivery of services.
- 3.4 The Board reserves full decision-making powers on the following matters:
- a) Conflict of interest issues relating to a substantial shareholder or a Director including approving related party transactions;
 - b) Material acquisitions and disposition of assets not in the ordinary course of business including significant capital expenditures;
 - c) Strategic investments, mergers and acquisitions and corporate exercises;
 - d) Limits of authority;
 - e) Treasury policies;
 - f) Risk management policies; and
 - g) Key human resource issues.

The aforesaid is non-exhaustive and may be amended by the Board from time to time when deemed necessary.

4. COMPOSITION

- 4.1 The Constitution of the Company provides that unless otherwise determined by general meeting, the number of directors shall not be less than two (2) nor more than fifteen (15).
- 4.2 In accordance with Paragraph 15.02 of the Listing Requirements, the Company will ensure that at least two (2) directors or one-third (1/3) of the Board members, whichever is **higher**, are Independent Directors and at least one (1) Director is a woman. 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.
- 4.3 The provisions on retirement and vacancy of directors are contained in the Constitution. In the event of any vacancy in the Board resulting in non-compliance of the Listing Requirements, the vacancy must be filled within three (3) months from the date of occurrence of that event.
- 4.4 The Board shall use its best efforts to ensure that:
- (a) its members can act critically and independently of one another; and
 - (b) each Board member has sufficient expertise to perform his/her role as a Board member.
- 4.5 An Independent Director must fulfill the provisions and definition of “independent director” under the Listing Requirements at all times and must declare their independence to the Board annually.
- 4.6 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.

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 appointment/nomination of the said Independent Director and explaining why there is no other eligible candidate in the announcement in relation to the appointment the said Independent Director and/or the notice of a general meeting.

5. BOARD CHAIRMAN

- 5.1 The Board shall elect a Chairman among its members. The Board Chairman shall not be a member of the Board Committees namely, Audit Committee, Nominating Committee and Remuneration Committee to ensure there is check and balance as well as objective review by the Board.

5.2 The Chairman is responsible for instilling and implementing good corporate governance practices, leaderships and effectiveness of the Board. The key responsibilities of the Chairman include, amongst others:

- (a) To provide leadership to the Board.
- (b) To oversee the Board in the effective discharge of its fiduciary duties.
- (c) To ensure that Board members receive all information necessary for them to perform their duties.
- (d) To lead and ensure efficient and effective conduct of the Board's meetings, in particular to ensure that the Board has sufficient time for consultation and decision-making.
- (e) To ensure that the board committees function properly.
- (f) To promote constructive and respectful relations between Board members and between the Board and the Management.
- (g) To commit time necessary to discharge effectively his role as the Chairman.

6. MANAGING DIRECTOR

The Managing Director is responsible for the following:

- (a) To lead and monitor, in conjunction with the Board, the development of the strategy of the Group.
- (b) To assess the principal risks and sustainability matters of the Group and to ensure that these risks and sustainability matters are being monitored.
- (c) To put in place internal controls and management information systems.
- (d) To communicate effectively with shareholders and other stakeholders, employees, government authorities and the public.
- (e) To ensure that all directors of the Group are properly informed and that sufficient information is provided to such directors to enable them to make appropriate judgments.
- (f) To ensure the integrity of all public disclosures by the Group.
- (g) In concert with the Chairman, to determine the date, time and location of the annual meeting of shareholders and to develop the agenda for the meeting.

The roles of the Board Chairman and the Managing Director are distinct. The distinct and separate roles of the Board Chairman and the Managing Director, with a clear division of responsibilities, ensures a balance of power and authority, such that no one individual has unfettered powers on decision-making.

7. EXECUTIVE DIRECTORS

The roles of Executive Directors include, amongst others:

- (a) To plan the business directions of the Group.
- (b) To involve in the day-to-day operational matters of the Company and the Group.
- (c) To ensure effective implementation of the Board's decisions and the Group's strategic plan and policies.
- (d) To assist the Managing Director in driving the Group's businesses and performance towards achieving the Group's vision and goals.

8. NON-EXECUTIVE DIRECTORS

The roles of non-executive directors are as follows:

- (a) To advise and support the Board.
- (b) To ensure necessary activities are undertaken to review the effectiveness of the risk management and internal control systems.
- (c) To provide independent and objective views to the development and evaluation of the Company's strategy.

9. SENIOR INDEPENDENT DIRECTOR

- 9.1 A Senior Independent Director is appointed by the Board to act as an additional safeguard and to serve as a fallback point of contact for shareholders when the normal channel of communication is considered to be inappropriate or inadequate.

10. INDIVIDUAL DIRECTORS

- 10.1 A Director shall at all times exercise his powers for a proper purpose and in good faith in the best interest of the Group and owe fiduciary duties to the Group and shall act honestly and use reasonable care, skill and diligence in the discharge of the duties of his office.

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- 10.2 He/she must act with integrity, lead by example, keep abreast of his/her responsibilities as a Director and of the conduct, business activities and development of the Company.
- 10.3 He/she shall not make use of any information acquired by virtue of his/her position to gain directly or indirectly an improper advantage for himself/herself or for any other person or to cause detriment to the Company.

11. COMPANY SECRETARY

- 11.1 The company secretary of the Company ("***Company Secretary***") is the secretary of the Board.
- 11.2 All Board members may go to the Company Secretary for advice or to use his/her services on matters relating to the Group's procedural and regulatory requirements.
- 11.3 The Company Secretary shall ensure that the Board follows correct procedures and policies and that the Board complies with its obligations under the laws and the Constitution. The Company Secretary shall assist the Board Chairman in organising the Board activities (including providing information; preparing and ensuring timely despatch of agenda, notices of meeting and board papers; reporting of meetings; evaluations and training programmes).
- 11.4 The appointment and removal of the Company Secretary is a matter to be decided by the Board.

12. BOARD COMMITTEES

- 12.1 The Board may appoint committees from among its members to perform specific tasks. Currently, the Board has established the following committees to assist it in discharging some of its duties and responsibilities:
 - (a) Audit Committee.
 - (b) Nominating Committee.
 - (c) Remuneration Committee.
- 12.2 The Board remains collectively responsible for the decisions and actions taken by any Board Committee. A Board Committee may only perform the tasks delegated to it by the Board and may not exceed the authority or powers of the Board as a whole.
- 12.3 The charters for the Audit Committee, Nominating Committee and Remuneration Committee are annexed hereto and marked as "**Appendix A**", "**Appendix B**" and "**Appendix C**" respectively.

13. TIME COMMITMENT

Each Director shall not hold more than five (5) directorships in public listed companies. Directors must notify the Chairman of the Board before accepting any new directorship on other public listed companies and notify the Board on any changes to their external appointment.

14. BOARD MEETINGS

14.1 The Board shall meet at least four (4) times per year. Additional meetings may be convened whenever necessary.

14.2 The Board may invite appropriate members of the Management to attend its meetings.

14.3 The minutes of the proceedings of the Board are prepared by the Company Secretary and signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon.

14.4 A resolution in writing signed or approved by a majority of the Directors (or their alternates) shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held and such resolution shall be described as “Directors’ Written Resolution”. A “Directors’ Written Resolution” shall be inoperative if it shall purport to authorise or to do any act which a meeting of the Board has decided shall not be authorised or done until confirmed by a meeting of the Board.

14.5 The Board may invite external parties (such as internal auditors, external auditors, solicitors and/or consultants) to attend any board meeting (or any part thereof) as and when the need arises.

15. ACCESS TO INFORMATION AND RIGHTS TO INDEPENDENT ADVICE

Each Board member:-

- (a) has unrestricted access to all information pertaining to the Group. The Management will supply the Board with accurate and complete information in a timely manner to enable the Board to discharge its duties effectively;
- (b) has the right to seek independent professional or other advice at the Company’s expense Provided Always that prior written approval of the Managing Director has been first obtained; and
- (c) has full and unrestricted access to the advice and services of the Company Secretary.

16. TRAINING AND DEVELOPMENT

16.1 To enhance the effectiveness of the members of the Board,:

- (a) newly appointed directors are required to undergo the Mandatory Accreditation Programme (MAP) prescribed by Bursa Securities within four (4) months from the date of appointment (if not previously attended); and
- (b) the Directors are required to undergo continuing education training programmes to update their knowledge and skills, and enhance their business acumen and professionalism in discharging their duties.

16.2 The Board shall also facilitate the induction and training programmes for newly appointed Directors, wherever appropriate. The induction may include :-

- (a) visits to key sites (including overseas locations if such business units are integral and significant to the Company); and
- (b) an induction programme of about 1 to 2 days and also presentations from various divisions within the Company on their strengths, weaknesses and aspirations.

16.3 The Directors would also be updated by the Company Secretary on new statutory, corporate and regulatory developments relating to Directors' duties and responsibilities or the discharge of their duties as Directors of the Group.

17. DIRECTORS' REMUNERATION

17.1 The fees and benefits payable to Non-Executive Directors shall from time to time be determined by the Company in general meeting.

17.2 Fair remuneration is essential to attract, motivate and retain the Directors' needed to run the Group successfully.

17.3 The Directors shall be paid all expenses properly and necessarily incurred by them in connection with the business of the Group, including attending board meetings and committee meetings.

18. ANNUAL ASSESSMENT

18.1 A formal assessment process lead by the Nominating Committee shall be carried out annually to review the required mix of skills, experience and other requisite qualities of Directors as well as the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director.

- 18.2 Each Director will provide feedback on their assessment of the Board and Board Committees' performance and effectiveness based on a set of qualitative criteria.
- 18.3 Nominating Committee will discuss and subsequently the Board will evaluate the feedback and decide on follow-up actions, if required.

19. COMMUNICATION WITH SHAREHOLDERS

The Company is committed to ensure that shareholders are well-informed of all major developments affecting the state of affairs of the Company. To achieve this, the Company has implemented amongst others, the following:-

- (a) timely release of announcements and disclosures to Bursa Securities, which include quarterly financial results, material contract and any other material information that may affect the investors' decision making;
- (b) proactively address reports and rumors, so as to avoid unnecessary speculation in its securities;
- (c) conducts regular dialogue with shareholders through Annual General Meeting ("AGM") and/or Extraordinary General Meeting of the Company in an efficient manner to support meaningful engagement between the Board, Senior Management and shareholders;
- (d) ensure that the Company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders; and
- (e) ensure shareholders have the information they require to make an informed decision on the appointment and re-appointment of a Director. The Board will also provide a statement as to whether it supports the appointment or re-appointment of the candidate and the reasons.

20. GENERAL MEETINGS

All Directors and the Chairs of Board Committees must attend general meetings to provide meaningful response to questions raised and addressed to them.

Any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, shall be voted by poll.

The notice of AGM shall be sent out to shareholders at least twenty-eight (28) days before the date of the AGM.

21. CONFLICT OF INTERESTS AND TRANSACTION INVOLVING DIRECTORS

Directors are required to take all reasonable steps to avoid actual, potential or perceived conflict of interests with the Group's interest.

A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare his interest in accordance with the provisions of the Companies Act 2016. The Director concerned shall not participate in deliberations and shall abstain himself from voting in any matter arising thereof.

22. REVIEW OF BOARD CHARTER

The Board will from time to time review this Board Charter to keep it up to date and consistent with the Board's objectives and responsibilities and the then prevailing laws and regulations.

This Charter was last reviewed and approved by the Board on 25 November 2022 and is made available on the Company's website, <https://my.keckseng.com/>.

APPENDIX A
(Audit Committee Charter)

APPENDIX B
(Nominating Committee Charter)

APPENDIX C
(Remuneration Committee Charter)