



啟成(馬來西亞)有限公司
KECK SENG (MALAYSIA) BERHAD

BOARD CHARTER



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BOARD CHARTER

1. INTRODUCTION

The Board of Directors 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 investor interest while taking into account the interests of other stakeholders and maintaining high standards of transparency, accountability and integrity.

2. PURPOSE OF CHARTER

This Board Charter defines the respective roles, responsibilities and authorities of the board of directors of the Company (“*Board*”) (both individually and collectively) in setting the direction, the management and the control of the Company and its group of companies (collectively “*Group*”).

3. OBJECTIVES

The objectives of the Board are:

- (a) to determine and monitor the Group’s overall strategic direction;
- (b) to review policies and standards governing the operations of the Group;
- (c) to determine powers and functions of the committees established by the Board;
- (d) to monitor the progress and performance of the Group; and
- (e) to set practices of good corporate governance in the overall business conduct of the Group.

4. RESPONSIBILITIES

4.1 All directors of the Company (collectively “*Directors*”) shall at all times exercise their powers for a proper purpose; in good faith and in the best interests of the Group.

4.2 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 more 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;
 - (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 policy with shareholders and other stakeholders;
 - (j) to ensure that there is a sound framework of reporting on internal controls and legal and regulatory compliance;
 - (k) to ensure that the Group has appropriate corporate disclosure policies and procedures; and
 - (l) to ensure that the Group has appropriate corporate governance structures in place.
- 4.3 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.
- 4.4 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.

5. COMPOSITION

- 5.1 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). The Board members are elected by shareholders of the Company.
- 5.2 In accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("*Bursa Securities*"), the Company will ensure that at least two (2) directors or one-third (1/3) of the Board, whichever is *higher*, are 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.
- 5.3 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 Main Market Listing Requirements of Bursa Securities, the vacancy shall be filled within three (3) months.
- 5.4 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.

6. CHAIRMAN

- 6.1 The Board shall elect a Chairman from among its members.
- 6.2 The Chairman is responsible for the following:
 - (a) To provide leadership to the Board.
 - (b) To oversee the Board in the effective discharge of its fiduciary duties.

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- (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.

7. 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.

8. NON-EXECUTIVE DIRECTORS

The roles of non-executive directors are as follows:

- (a) To regularly update and refresh skills and knowledge.

- (b) To advise and support the Board.
- (c) To ensure necessary activities are undertaken to review the effectiveness of the risk management and internal control systems.
- (d) To avoid any conflict of interest.

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. COMPANY SECRETARY

- 10.1 The company secretary of the Company ("*Company Secretary*") is the secretary of the Board.
- 10.2 All Board members may go to the Company Secretary for advice or to use his/her services on matters relating to the Group.
- 10.3 The Company Secretary shall see to it 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 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).
- 10.4 The appointment and removal of the Company Secretary is a matter to be decided by the Board.

11. BOARD COMMITTEES

- 11.1 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.

- 11.2 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.
- 11.3 The Terms of Reference for the Audit Committee, the Nominating Committee and the Remuneration Committee are set out in the charters annexed hereto and marked “**Appendix A**”, “**Appendix B**” and “**Appendix C**” respectively.

12. **TIME COMMITMENT**

Each director should not hold more than five (5) directorship in Public Listed Companies. Directors must consult 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.

13. **BOARD MEETINGS**

- 13.1 The Board shall meet at least five (5) times per year. Additional meetings may be convened whenever necessary.
- 13.2 The Board may invite appropriate members of the Management to attend its meetings.
- 13.3 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.
- 13.4 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’ Resolution”. A “Directors’ 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.
- 13.5 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.

14. ACCESS TO INFORMATION AND RIGHT TO INDEPENDENT ADVICE

14.1 Every Board member has 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.

14.2 Every Board member, in the course of discharging his/her duties, has the right to seek independent professional or other advice at the Company's expense Provided Always that the prior written approval of the Managing Director has been first obtained.

15. TRAINING AND DEVELOPMENT

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

- (a) newly appointed directors are required to undergo the mandatory accreditation programme under the auspices of Bursa Securities if they have not attended such programme before; and
- (b) the Directors are to undergo continuing education training programmes to upgrade and enhance their business acumen and professionalism in discharging their duties to the Group.

15.2 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.

15.3 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.

16. SEPARATION OF FUNCTIONS BETWEEN CHAIRMAN AND MANAGING DIRECTOR

The roles of the Chairman and the Managing Director are distinct. The distinct and separate roles of the 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.

17. DIRECTORS' REMUNERATION

- 17.1 The fees and benefits payable to the Directors shall from time to time be determined by the Company in general meeting and shall be divisible among the Directors as they may agree.
- 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.
- 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

- 19.1 The Board will maintain an effective communication policy with the shareholders and other stakeholders.
- 19.2 The annual general meeting of the Company is the principal forum for dialogue with shareholders.

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.



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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 Annual General Meeting (“*AGM*”) shall be sent out to shareholders at least twenty-eight (28) days before the date of the AGM.

21. **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 is reviewed and approved by the Board on 28 February 2019.

APPENDIX A
(Audit Committee Charter)

APPENDIX B
(Nominating Committee Charter)



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APPENDIX C
(Remuneration Committee Charter)