

SUPERMAX CORPORATION BERHAD [199701004909 (420405-P)]

BOARD CHARTER

1. INTRODUCTION

The Board of Directors (“the Board”) of Supermax Corporation Berhad (“the Company”) is committed to manage the affairs of the Group in accordance with the appropriate standards of good corporate governance. The Board of the Company has overall responsibility for the proper conduct of the Company’s business and assumes responsibility of effective stewardship and control of the Company. This Board Charter shall constitute, and form, an integral part of each Director’s duties and responsibilities.

2. OBJECTIVE

This Board Charter serves to outline the duties, responsibilities and functions of the Board in accordance with the principles and practices of good corporate governance. It defines the Company’s commitment to good corporate governance and compliance and is not an ‘all inclusive’ document and should be read as a broad expression of principles.

3. THE BOARD

3.1 Board Membership

3.1.1 Composition and Board Balance

3.1.1.1 The Board comprises of Executive Directors, Non-Independent Non-Executive Directors and Independent Non-Executive Directors of high calibre and integrity with diverse professional and entrepreneur backgrounds, skills, extensive experience and knowledge in the areas of manufacturing, finance, law, business, international trade, global sales and distribution.

3.1.1.2 The Company’s Constitution provides for a minimum of three (3) directors and a maximum of eleven (11) directors. At any one time, at least two (2) or one-third (1/3), whichever is higher, of Board members must comprise of Independent Directors and there must be at least one (1) female director on the Board in compliance with the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). The Board will endeavour to achieve a composition of at least 30% female Directors.

3.1.1.3 The presence of the Independent Non-Executive Directors is essential in providing unbiased and impartial opinion, advice and judgement to ensure that the interests of the Group and its shareholders are well represented and taken into account. The Independent Non-Executive Directors thus play a key role in corporate accountability.

3.1.1.4 The size, composition and diversity of the Board shall be reviewed and determined on a periodical basis to reflect the Group's requirement and direction.

3.1.2 Appointments and Time Commitment

3.1.2.1 The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the Nomination and Remuneration Committee ("NRC"). In making these recommendations, the NRC assesses the suitability of the candidate, taking into account the required mix of skills, qualifications, credentials, experience, fit and properness and other qualities, which the Director would bring to the Board.

3.1.2.2 The Company Secretary bears the responsibility to ensure that the relevant procedures relating to the appointment of new Directors are properly executed.

3.1.2.3 The directorships held by any Board member at any one time in listed companies shall not exceed the restriction in number or such other requirements as may be prescribed by the MMLR of Bursa Securities from time to time.

3.1.2.4 The Board should obtain this commitment from Directors prior to their appointment. Every Director must attend at least 50% of the total Board of Directors' meetings held during a financial year. A Director shall vacate office if he/she is absent for more than 50% of the total Board meetings held during the financial year.

3.1.2.5 A Director may accept appointments to other board, provided that such appointments do not result in any conflict of interests with the Group and does not detrimentally affect the Director's performance as a Board member. The Director shall notify the Chairman before accepting any new directorship and the notification shall indicate the time expected to be spent on the new appointment.

3.1.2.6 No person shall be appointed, re-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/she is a Member of Parliament, State Assemblyman or holds a position at the Supreme Council or division level in a political party.

3.1.3 Re-election

3.1.3.1 The Constitution provides that all Directors who are appointed by the Board may only hold office until the following Annual General Meeting ("AGM") subsequent to their appointment and shall then be eligible for re-election.

- 3.1.3.2 The Constitution also provides that one-third (1/3) of the Directors shall retire by rotation at every AGM and are eligible for re-election.
- 3.1.3.3 All Directors shall retire from office and are eligible for re-election at least once in every three (3) years.
- 3.1.3.4 All Directors who are subject to re-election shall undergo the fit and proper assessment in accordance with the Directors' Fit and Proper policy. The annual re-election of a Director should be contingent on satisfactory evaluation of the Director's performance and contribution to the Board.

3.1.4 Independent Directors

- 3.1.4.1 The responsibilities of an Independent Director shall include:
- i) provide and enhance necessary objectivity and independence judgement which includes providing independent and objective views, advice and judgment to ensure that the interests of the Group, shareholders and stakeholders are well taken into account;
 - ii) ensure effective checks and balances on the Board and to bring impartiality and scrutiny to Board deliberations and decision-making;
 - iii) mitigate any potential conflict of interest that may arise in the governance of the Group;
 - iv) constructively challenge and contribute to the development of business strategy and direction of the Company; and
 - v) ensure adequate systems and controls are in place to safeguard the interests of the Group.
- 3.1.4.2 An Independent Director must disclose to the Board in the event of any change in his/her circumstances that may affect his/her objectivity and/or status as an Independent Director. In such case, the Board shall review the respective Director's designation as an Independent Director.
- 3.1.4.3 The Board may identify a Senior Independent Director to whom queries or concerns regarding the Group may be conveyed. The Senior Independent Director shall act as an intermediary for other directors when necessary and be the point of contact for shareholders and other stakeholders.

3.1.5 Independence and Tenure of Directors

- 3.1.5.1 The Board assesses the independence of the Directors annually by taking into consideration of their disclosed interests and having regard to the criteria for assessing the independence of Directors under the annual Board Assessment. The assessment takes into consideration the criteria laid out in the MMLR of Bursa Securities and such other factors as the Board determines appropriate to take into account in determining whether the Independent Director is independent of management; and free of any business or other relationships that could materially

interfere with, or could be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

- 3.1.5.2 The tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, such Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. Where upon assessment by the NRC, there is strong justification for such Director to remain as an Independent Director, the Board may justify and make recommendation of the same to the shareholders for their approval through a two-tier voting process. Upon completion of a cumulative term of twelve (12) years, such Independent Director may only continue to serve on the Board if he or she is re-designated as a Non-Independent Director.

3.1.6 Directors' Remuneration

- 3.1.6.1 The remuneration of the Directors (Executive and Non-executive) are subject to review and recommendation by the NRC.
- 3.1.6.2 The determination of the remuneration of the Directors (Executive and Non-executive) shall be decided by the Board as a whole. The Directors shall abstain from deliberations and voting on their own remuneration.
- 3.1.6.3 The fees and benefits of the Directors shall be approved at a general meeting of the Company. Directors who are shareholders and controlling shareholders with a nominee or connected Director on the Board shall abstain from voting on the resolution to approve directors' fees and benefits at the general meeting.

3.1.7 Directors' Trainings and Continuing Education

In addition to the Mandatory Accreditation Programme as required by Bursa Securities, the Directors shall continue to update their knowledge and enhance their skills through appropriate continuing education programmes and life-long learning. This will enable Directors to effectively discharge their duties and sustain active participation during Board deliberations. The Board, through the NRC, shall evaluate and determine the training needs of its Directors on an on-going basis.

3.2 Board's Role

3.2.1 Duties and Responsibilities

The Board assumes, amongst others, the following duties and responsibilities:-

- (a) Reviewing and adopting a strategic plan for the Company which will enhance the future growth of the Company and supports long-term value creation and include strategies on economic, environmental and social considerations underpinning sustainability;
- (b) Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;

- (c) Together with senior management, promoting good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour;
- (d) Reviewing, challenging and deciding on Management's proposals for the Company and monitor its implementation by Management;
- (e) Identifying principal risks of the business and ensure the implementation of appropriate systems to manage these risks;
- (f) Reviewing the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- (g) Setting the risk appetite within which the Board expects Management to operate and ensuring that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risk;
- (h) Ensuring that senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and senior management;
- (i) Together with Management, taking responsibility for the governance of sustainability in the Company including setting the Company's sustainability strategies, priorities and targets. The Board takes into account sustainability considerations when exercising its duties including among others the development and implementation of the Company's strategies, business plans, major plans of action and risk management;
- (j) Ensuring that the Company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders;
- (k) Taking appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the Company and its business, including climate-related risks and opportunities;
- (l) Ensuring that all its directors are able to understand financial statements and form a view on the information presented and ensuring that integrity of the Company's financial and non-financial reporting; and
- (m) Ensuring that the Company has in place procedures to enable effective communication with stakeholders.

In discharging his/her duties, each Director must:

- i) exercise reasonable care, skill and diligence;
- ii) act in good faith in the best interests of the Group;

- iii) not to improperly use his/her position or misuse information of the Group;
- iv) apply the knowledge, skill and experience which may reasonably be expected of a director having the same responsibility;
- v) demonstrate the financial literacy required for a proper understanding of the Group's activities and associated risks and maintain a sound understanding of the business and keep abreast of relevant developments to ensure they are able to discharge their duties and responsibilities effectively;
- vi) comply with the applicable laws, regulations and MMLR of Bursa Securities; and
- vii) commit the time necessary to discharge effectively his/her role as a Director.

3.2.2 Matters Reserved for the Board

The matters reserved for the Board include, but are not limited to the following:

- i) Material acquisitions and disposals of undertakings and properties of substantial value;
- ii) New major ventures;
- iii) Interim dividends, recommendations of final dividends and making of any other distribution;
- iv) Recommendation of Director's fees and benefits;
- v) Proposal to increase/decrease capital;
- vi) Appointment and resignation of Board members, Board Committees members, principal officer of the Company e.g. Company Secretary and Chief Financial Officer;
- vii) Approving of quarterly financial results, public announcements and financial statements;
- viii) Annual Report and Circular to shareholders; and
- ix) Proposal to amend the Company's Constitution.

3.2.3 Executive Chairman and Chief Executive Officer ("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 management of the Company's day to day business respectively. The positions of Executive Chairman and CEO are separated and clearly defined.

3.2.3.1 Executive Chairman

The responsibilities of the Executive Chairman, amongst others, are as follows:-

- (a) to lead the Board and ensure its effectiveness in all aspects of its role;
- (b) to develop corporate strategies and to attain long-term growth objectives of the Group;
- (c) mentoring the CEO/Executive Director(s);
- (d) to ensure the efficient organisation and conduct of the Board's function and meetings;
- (e) to set the Board agenda and ensure the Board members receive complete and accurate information in a timely manner;
- (f) to facilitate the effective contribution of all Directors at Board meetings. This includes encouraging active participation by all Directors and allowing dissenting views to be freely expressed;
- (g) to promote constructive and respectful relations between Directors, and between the Board and Management;
- (h) to lead the Board in the adoption and implementation of effective corporate governance system and practices in the Company; and
- (i) to ensure effective communication with shareholders and relevant stakeholders and that their views are communicated to the Board as a whole.

3.2.3.2 CEO/Executive Director

The CEO/Executive Director supported by the management team, is responsible for the day to day management of the Group's business, which includes implementing policies and decisions of the Board and implementation of the Company's business and corporate strategies.

The role of the CEO, with the support of Management, is to:-

- (a) oversee the day-to-day operations of the Group and implement the strategies, plans, budgets and policies approved by the Board;
- (b) develop and recommend to the Board the strategic business plans, annual budgets that supports the Group's short-term and long term strategies in consultation with the Executive Chairman;
- (c) monitor the performance of the Group against the performance and sustainability targets and to report to the Board accordingly;
- (d) drive strategic management of material sustainability matters; and
- (e) assess principal risks and ensure that the risks are properly managed.

3.2.4 Board Committees

3.2.4.1 The Board may from time to time establish Board Committees as considered appropriate to assist in carrying out its duties and responsibilities. Presently, the Board has established the following Board Committees which operate under their respective defined terms of reference:

- i) Audit Committee;
- ii) Nomination and Remuneration Committee; and
- iii) Risk Management and Environmental, Social and Governance (ESG) Committee.

Independent and Non-Executive Directors play a leading role in these Committees. The Chairman of the respective Committees reports to the Board on the outcome of the Committee meetings and such reports will be reported to the Board at the Board meeting.

3.2.4.2 Chairman of the Board should not be a member of the Audit Committee, Nomination and Remuneration Committee, and Risk Management and Environmental, Social and Governance (ESG) Committee.

3.2.4.3 Regular reviews on the roles and responsibilities of the Board Committees would be conducted, when the need arises, to ensure the Company is able to adapt to changing business circumstances.

3.2.4.4 The Board is collectively responsible for any decision taken by any Board Committee. A Board Committee may only perform the tasks delegated to it by the Board and should not exceed the authority conferred on it by the Board.

3.2.4.5 The Terms of References of the respective Board Committees are available in the Company's website at <http://www.supermax.com.my>.

3.3 Meeting of the Board

3.3.1 The Board will have at least four (4) scheduled meetings annually, with additional meetings to be convened as and when necessary.

3.3.2 Notice of meeting setting out the agenda and accompanied by the relevant Board papers are given to the Directors at least five (5) business days, or a shorter period where unavoidable, prior to the meeting to enable the Directors to review, seek additional information and/or clarification on the matters to be deliberated at Board meetings. The minutes of meetings shall record the deliberation, in terms of the issues discussed and the conclusions thereof. The draft minutes shall be circulated to all members of the Board in a timely manner and be tabled at the following meeting for confirmation.

3.3.3 All Board meetings shall be chaired by the Chairman of the Board. The Chairman has the discretion to call for additional meetings at any time. Where the Chairman is absent, the Directors present shall elect one (1) of their members to be the Chairman of the meeting. The quorum for each meeting shall be at least two (2)

Directors. In the absence of a meeting, issues shall be resolved by way of circular resolutions.

3.3.4 Resolutions at any meeting of the Directors shall be decided by a majority of votes. In the case of an equality of votes, the Chairman has a second or casting vote. The Chairman shall not have a second or casting vote when only two (2) Directors (one of whom is the Chairman) form a quorum or when only two (2) Directors are competent to vote on the question at issue.

3.3.5 A Directors' meeting may be held at two (2) or more venues within or outside Malaysia using any technology that enable the Directors as whole to participate for the entire duration of the meeting. The technology to be used for the purpose of this paragraph must be such that each Director taking part in the meeting must be able to communicate simultaneously with each of the other Director taking part in the meeting and may include telephone, television, video conferencing or any other audio and/or visual device which permits instantaneous communication.

3.3.6 A virtual meeting shall be deemed to constitute a Board meeting provided that the following are met:-

- i) all the Directors for the time being entitled to receive notice of the Board meeting shall be entitled to receive notice of a virtual meeting. Notice of any such meeting shall be given by an appropriate form of technology (or in such other manner) as may be permitted under the Constitution of the Company; and
- ii) a Director shall not leave the meeting by disconnecting from the technology used unless he/she has notified the Chairman of the meeting of his/her intention to leave the meeting and a Director shall be presumed to have been present and to have formed part of the quorum at all times during such a meeting until such notified time of his/her leaving the meeting.

3.3.7 The Chairman shall ensure that Board Committee meetings are not combined with the main Board meeting as to enable objective and independent discussion during the meetings.

3.3.8 Where there are Executive Directors on the Board, the Non-Executive Directors are encouraged to meet among themselves at least annually to discuss among others, strategic, governance and operational issues.

3.4 Access to Information/Advice

3.4.1 The Board has unrestricted and immediate access to Senior Management and all information on the affairs of the Group. At the request of the Board, Management is obliged to supply in a timely manner, all relevant information relating to the business, operations and governance of the Group, to enable the Board to discharge its duties effectively.

- 3.4.2 The Board may seek independent professional advice in the course of discharging its duties at the Group's expense.
- 3.4.3 If a Director considers that such advice is necessary, the Director shall first discuss it with the Chairman, and having done so shall be free to proceed, where appropriate. In the event that one or more Directors seek to appoint one or more advisors, the Chairman should take steps to facilitate discussions to arrive at a consensus.
- 3.4.4 Fees for the independent professional advice will be payable by the Company but prior approval of the Chairman will be required. For avoidance of doubt, this restriction shall not apply to Executive Directors acting in the furtherance of their executive responsibilities and within their delegated powers.
- 3.4.5 For the purposes of this section, independent professional advice shall include advice sought from legal experts, accountants or other professional advisors and consultants. Independent professional advice shall exclude any advice concerning the personal interests of the Directors (such as with respect to their contracts or disputes with the Group), unless these are matters affecting the Board as a whole.

4 COMPANY SECRETARY

- 4.1 The Board appoints the Company Secretary, who plays an important advisory role, and ensures that the Company Secretary fulfils the functions for which he/she has been appointed.
- 4.2 The Company Secretary is accountable to the Board through the Chairman of the Board and Committees on all governance matters.
- 4.3 The Company Secretary is a central source of information and advice to the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company.
- 4.4 The Company Secretary must keep abreast of, and inform the Board of, current governance practices.
- 4.5 The Board members have unlimited access to the professional advice and services of the Company Secretary for the purposes of the Board's affairs and the business.
- 4.6 The removal of the Company Secretary shall be a matter for the consideration of the Board as a whole.
- 4.7 In performing this duty, the Company Secretary carries out, among others, the following tasks:-
- (a) attending Board meetings and ensuring that the Board meetings are properly convened and proceedings are properly recorded;
 - (b) ensuring that all appointments to the Board and Committees are properly made;

- (c) maintaining records for the purposes of meeting statutory obligations;
- (d) advising the Board on corporate disclosures and compliance with the Companies Act, 2016 and the MMLR of Bursa Securities;
- (e) facilitating the provision of information as may be requested by the Directors from time to time;
- (f) supporting the Board in ensuring adherence to Board policies and procedures; and
- (g) carrying out other functions as may be directed by the Board from time to time

5 INVESTOR RELATIONS AND SHAREHOLDERS' COMMUNICATION

5.1 The Board shall place great importance in ensuring the high standards of transparency and accountability in its communication to shareholders, as well as to potential investors, analysts and the public. The shareholders and investors shall be informed regularly of all material matters affecting the Group in conformity with the disclosure requirements.

5.2 The General Meetings are the principal forum for dialogue and interaction with shareholders. The Board will focus its efforts on the following best practices to enhance the effectiveness of the General Meetings:

- i) ensure the notice of AGM is given at least twenty-eight (28) days before the date of the AGM;
- ii) all Directors are to attend the General Meetings;
- iii) ensure that each item of special business included in the notice of AGM is accompanied by a full explanation of the effects of the proposed resolution;
- iv) ensure that the notice of AGM states which Directors are standing for election or appointment, with a brief description on their age, relevant experience, designation in the Company, list of directorships, date of appointment to the Board, membership in any Board Committees, details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole and whether the Board is in support of the re-election or appointment and the reasons;
- v) ensure that the Chairman provides reasonable time for discussion at the General Meetings;
- vi) ensure that General Meetings support meaningful engagement between the Board, Senior 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. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response. Where appropriate, the Board will endeavour to provide the shareholder with a reply to any significant question which cannot be answered immediately;

- vii) ensure that the resolutions set out in the notice of General Meeting are voted by poll;
- viii) shall leverage on technology to facilitate voting (including voting in absentia) and remote shareholders' participation at General Meetings;
- ix) ensure that at least one (1) scrutineer is appointed to validate the votes cast at the General Meetings. Such scrutineer must not be an officer of the Company or its related corporation, and must be independent of the person undertaking the polling process;
- x) ensure that there is a channel of communication on feedback and queries from shareholders; and
- xi) ensure minutes of the General Meeting will be circulated to shareholders or uploaded onto the Company's website no later than thirty (30) business days after the General Meeting.

5.3 The Board also ensures timely announcements and disclosures are made to Bursa Securities, which includes quarterly financial results, Group's corporate proposals and any other material information that may affect investors' decision making.

5.4 The Company shall leverage on information technology for effective dissemination of information. The Company's website provides easy access to corporate information pertaining to the Group and its activities and is continuously updated. Summary of key matters discussed at each AGM, corporate and financial information of the Group as well as the Company's announcements to Bursa Securities are also made available to the public through the Company's website at <http://www.supermax.com.my>.

6 CONFLICT OF INTEREST

6.1 In accordance with the Company's Constitution, 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 Companies Act 2016. The Director concerned shall not participate in deliberations and shall abstain from voting in any matters relating thereto unless otherwise as provided for in the Company's Constitution.

- 6.2 Should there be an actual, potential or perceived conflict of interest between the Company or a related corporation and a Director, or an associate of a Director such as a spouse or other family members, the Director involved shall make full disclosure and act honestly in the best interest of the Company.
- 6.3 An actual, potential or perceived conflict of interest shall not necessarily disqualify an individual Director from the Board provided that full disclosure of the interest has been made in good faith and with due honesty.

7 CODE OF BUSINESS ETHICS

- 7.1 The Group's Code of Business Ethics ("the CoBE") applies to all Directors and employees of the Group.
- 7.2 The CoBE serves as documentation of the Directors' and employees' commitment to do business in a manner that is efficient, ethical, effective and fair and is meant as a reference for all Directors and all levels of employees.
- 7.3 The CoBE is made available for reference in the Company's website at <http://www.supermax.com.my>.

8 ANTI-BRIBERY AND CORRUPTION POLICY

- 8.1 The Group takes a zero-tolerance approach to all forms of corruption and bribery as well as takes a strong stance against such acts. The Group is committed to conducting business in an honest and ethical manner, as well as to complying with all applicable laws and regulations. The Board has formalised and established an Anti-Bribery and Corruption Policy.
- 8.2 The Anti-Bribery and Corruption Policy sets out the Group's position on bribery and corruption in all its forms and provides principles, guidelines, and requirements on how to deal with bribery and corrupt practices that may occur within the Group as well as in its interactions with its business associates. The Anti-Bribery and Corruption Policy applies to the Directors, officers, all employees, contract workers and consultants of the Group.
- 8.3 The Anti-Bribery and Corruption Policy is made available for reference in the Company's website at <http://www.supermax.com.my>.

9 WHISTLEBLOWING POLICY

- 9.1 The Company has adopted a Whistleblowing Policy with the objective of protecting integrity, transparency, impartiality and accountability in all of its business operations. The whistleblowing policy provides a structured reporting channel and guidance to all employees and external parties to whistle blow without the fear of victimization.

- 9.2 The Whistleblowing Policy is made available for reference in the Company's website at <http://www.supermax.com.my>.

10 REVIEW OF THE BOARD CHARTER

- 10.1 The revised Board Charter has been adopted by the Board on 21 October 2022. Any subsequent amendment to the Charter must be approved by the Board.
- 10.2 The Board Charter will be periodically reviewed by the Board and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.
- 10.3 The Board Charter is made available for reference in the Company's website at <http://www.supermax.com.my>