

HARRISONS HOLDINGS (MALAYSIA) BERHAD
REGISTRATION NO. [199001003108 (194675-H)]
BOARD CHARTER

1. Introduction

The Board of Directors ("the Board") is responsible for the stewardship of Harrisons Holdings (Malaysia) Berhad ("HHMB" or "the Company") and its subsidiaries ("Group") business and affairs on behalf of HHMB's shareholders with a view to enhance long term shareholders value as well as investors' interest while taking into account the interests of other stakeholders and maintaining high standards of transparency, accountability and integrity.

2. Objectives

The objectives of this Board Charter are to ensure that all Board members acting on behalf of the Company/Group 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 Company/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. This Board Charter is not an "all inclusive" document and shall be read as a broad expression of principles.

The Board shall regularly review this Charter and the term of reference ("TOR") of the Board Committees (i.e. audit committee, nomination committee, remuneration committee and risk management and sustainability committee) to ensure that they remain consistent with the Board's objectives and responsibilities, relevant laws, regulations, guidelines and standards of corporate governance.

3. Duties and Functions

The Board is 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.

In carrying out its functions whilst supportive of Management, the Board shall discharge its duties and responsibilities vested in it, which include:-

- (a) together with senior Management, promote good corporate governance culture within the company which reinforces ethical, prudent and professional behaviour;
- (b) review, challenge and decide on Management's proposals for the Company, and monitor its implementation by Management;
- (c) ensure that the strategic plan of the company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- (d) supervise and assess management performance to determine whether the business is being properly managed;
- (e) ensure there is a sound framework for internal controls and risk management;
- (f) understand the principal risks of the company's business and recognise that business decisions involve the taking of appropriate risks;

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- (g) set the risk appetite within which the Board expects Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- (h) ensure 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) ensure that the Company has in place procedures to enable effective communication with stakeholders;
- (j) ensure that all its directors are able to understand financial statements and form a view on the information presented; and
- (k) ensure the integrity of the Company's financial and non-financial reporting.

To ensure the direction and control of the Company are in the hands of the Board, a formal schedule of matters reserved for the Board's deliberation and decision is set out in Appendix I of this Charter.

4. Board Size and Composition

- a. The Board should comprise of individuals with character, experience, integrity, competence and time to effectively discharge their role as Directors. The composition and size of the Board is such that it facilitates the making of informed and critical decisions.
- b. The number of Directors shall not be less than three (3) and not more than eleven (11). The appointment of Directors shall be recommended by the Nomination Committee ("NC") and approved by the Board.
- c. At least half of the Board should comprise Independent Directors, but in any event, at least two (2) or one-third (1/3), whichever is higher, of the Board members are Independent Non-Executive Directors ("INEDs"), and at least 1 woman director on the Board. If the number of directors of the Company is not a three (3) or a multiple of three (3), then the number nearest to one-third (1/3) must be used.
- d. In the event of any vacancy in the Board, resulting in non-compliance with regulations on the Board composition, the Board must ensure that such vacancy is filled within three (3) months.
- e. The Board may appoint a Senior Independent Director ("SID") to whom shareholders' concerns can be conveyed if there are reasons that contact through the normal channels of the Chairman of the Board ("Board Chairman") or the Group Managing Director ("GMD")/ Chief Executive Officer ("CEO") have failed to resolve them. The Board shall appoint the SID or an Independent Director as the NC Chairman.
- f. The positions of Board Chairman and GMD/ CEO should be held by different individuals, and the Chairman must be a non-executive director.

The Board recognises the importance of ensuring a balance of power and authority between the Board Chairman and the GMD/ CEO with a clear division of responsibility between the running of the Board and the Group's business

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respectively. The positions of Board Chairman and GMD/ CEO are separated and clearly defined.

- g. The Board acknowledges the importance of boardroom diversity and the recommendation of the Malaysian Code on Corporate Governance 2021 pertaining to the establishment of a gender diversity policy.

In reviewing the Board composition, the Board with the assistance from the NC, will take into consideration all aspects of diversity including age, gender, ethnicity, skills, experience, independence, cultural background and tenure of each director of the Board members.

The Board shall endeavour to meet a target of at least thirty-percent (30%) female Directors on the Board if there are appropriate candidates available when Board vacancies arise to bring in a diversity of perspectives and encourage women participation during Board deliberation and decision-making process.

- h. Any Director must not hold more than five (5) directorships in the public listed companies.

A Director shall notify the Board Chairman before accepting any new directorship in public listed companies. The Director shall give assurance to the Board of his/her continued time commitment to serve the Board and the new appointment shall not be in conflict or compete with the existing appointment.

5. Position Description

5.1 Individual Directors

- Directors are expected to comply with their legal, statutory and equitable duties and obligations when discharging their responsibilities as Directors. Broadly these include:-
 - acting in good faith and in the best interests of the Group as a whole;
 - demonstrating good stewardship and acting in a professional manner with sound mind;
 - acting with reasonable care, skill and diligence subject to the business judgement rule;
 - avoiding conflict of interest with the Group in a personal or professional capacity;
 - refraining from making improper use of information gained through the position of director and from taking improper advantage of the position of director;
 - disclosure of and/or abstaining from voting on matters or material personal interests;
 - contribute actively in Board discussion and deliberations of issues by providing sound advice based on the Directors' experience and specific expertise they bring to the Board;

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- ensuring key transactions or critical decisions are deliberated and decided on by the Board in a meeting and ensure the basis for those decisions made, including any dissenting views are made known and properly minuted;
 - keeping abreast of changes and trends in the business and in the Group's business environment and markets and changes and trends in the economic, political, social, legal and regulatory climate that could affect the business of the Group;
 - devoting sufficient time to prepare for and attend Board and Board Committee meetings, attend Directors' continuous training programme and briefings; and
 - exercising greater vigilance and professional scepticism in understanding and shaping the strategic direction of the Group.
- Directors will keep all Board information, discussions, deliberations and decisions that are not publicly known confidential and not use information gained through the Board for their interest, or their employers' interest.

5.2 Senior Independent Director ("SID")

The Board may appoint a SID to:-

- i. act as a sounding board for the Board Chairman;
- ii. serve as the principal conduit between INEDs and the Board Chairman on sensitive issues; and
- iii. be the point of contact for shareholders and other stakeholders for areas that cannot be resolved through the normal channels of contact with the Board Chairman or the GMD/ CEO.

5.3 Independent Director

- i. An Independent Director is independent of management and free of any business or other relationships that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement, and who otherwise meet the criteria for independence.
- ii. The Independent Directors must give effect to the spirit, intention and purpose of the definition of an Independent Director which enumerated out in the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").
- iii. The Independent Directors provide independent judgement, experience and objectivity without being subordinated to operational considerations to mitigate any possible conflict of interest between the policy-making process and the day-to-day management of the Group.
- iv. The Independent Directors shall constructively challenge and contribute to the development of business strategy and direction of the Company to ensure the interests of all shareholders, and not only the interests of a particular fraction or

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group, are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.

- v. The Independent Directors should ensure effective checks and balances on the Board, and carry significant weight in the Board's decision-making process.
- vi. The Board undertakes to assess the independence of the Independent Directors on an annual basis upon re-appointment or when any new interest or relationship develops.

5.4 Board Chairman

- i. The Board Chairman leads the Board and is responsible for the effective performance of the Board.
- ii. The Board Chairman shall be a Non-Executive Director.

The Board Chairman should not be a member of Audit Committee, NC, Remuneration Committee and Risk Management and Sustainability Committee to ensure there is check and balance on the corporate affairs.

- iii. The Board Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role. The Chairman is responsible for:
 - a. leading the Board in setting the values, standards and good corporate governance practices of the Group;
 - b. setting the board agenda and ensuring the provision of accurate, timely and clear information to Directors;
 - c. encouraging active participation and allowing dissenting views to be freely expressed;
 - d. ensuring effective communication with shareholders and relevant stakeholders and that their views are communicated to the Board as a whole;
 - e. arranging regular evaluation of the performance of the Board, its Board Committees and individual Directors;
 - f. facilitating the effective contribution of Non-Executive Directors and ensuring constructive relations be maintained between Executive Directors and Non-Executive Directors;
 - g. facilitating the ongoing development of all Directors; and
 - h. managing the interface between the Board and Management.
- iv. The Board Chairman, in consultation with the GMD/ CEO and the Company Secretary, sets the agenda for Board meetings and ensures that all relevant issues are indicate on the agenda.
- v. The Board Chairman ensures orderly conduct and proceedings of the Board and general meetings and is responsible for managing the business of the Board to ensure that:

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- a. all Directors are properly briefed on issues arising at Board meetings;
 - b. sufficient time is allowed for discussion of complex or contentious issues and, where appropriate, arranging for informal meetings beforehand to enable thorough preparation for the Board discussion; and
 - c. the issues discussed are forward looking and concentrates on strategy.
- vi. The Board Chairman ensures that every Board resolution is put to vote and the will of the majority prevails.
 - vii. The Board Chairman ensures that Executive Directors are look beyond their executive functions and accept their full share of responsibilities on governance.
 - viii. Should the Board Chairman be absent from a meeting, the members of the Board present at the meeting, may choose one (1) of their members to chair the said meeting.

5.5 GMD/ CEO

- i. The GMD/ CEO is primarily accountable for overseeing the day-to-day business operations to ensure the smooth and effective running of the Group.
- ii. The GMD/ CEO is responsible for the development and implementation of the long-term and short-term strategies for the Group and setting the overall strategic policy and direction of the Group's business operations based on effective risk management controls.
- iii. The GMD/ CEO ensures that the financial management practice is performed at the highest level of integrity and transparency and that the business and affairs of the Group are carried out in an ethical manner and in compliance with the relevant laws and regulations.
- iv. The GMD/ CEO shall exercise professional skill, due care and diligence when performing his/her functions, exercising their powers or discharging his/her duties as well as devote full attention and time to their duties and responsibilities and be able to direct and supervise the Group effectively and responsibly.
- v. The GMD/ CEO provides effective leadership to the Group and is responsible for ensuring high management competency and that an effective management succession plan is in place to sustain the continuity of business operations.
- vi. The GMD/ CEO is the conduit between the Board and Management in ensuring the success of the Group's governance and management functions.
- vii. The GMD/ CEO implements the policies, strategies and decisions adopted by the Board. All Board authorities conferred on Management is delegated through the GMD/ CEO and this will be considered as the GMD/ CEO's authority and accountability as far as the Board is concerned.

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viii. Keeping the Board fully informed of all important aspects of the Group's operations and ensuring sufficient information is distributed to the Board members.

In the absence of the GMD/ CEO, the Senior Executive Director who is fully acquainted with the Group's affairs, is the person who will be directly responsible for the overall running of the Group.

6. General Roles and Responsibilities

The Board should assume, amongst others, the followings roles and responsibilities:-

- a) Reviewing the code of conduct of the Group and implementing appropriate internal systems to support, promote and ensure its compliance;
- b) Reviewing and adopting a sustainable strategic business development plan for the Group. The Board shall take 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, and ensure that the sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders;
- c) Regularly evaluating economic, environmental, social and governance issues and any other relevant external matters that may influence or affect the development of the business or the interests of the shareholders in ensuring that the Group's strategies promote sustainability;
- d) Overseeing the conduct of the Group's business to evaluate whether the business is being properly managed;
- e) Reviewing, ratifying and monitoring systems of risk management and internal control and ethical and legal compliance. This includes establishing sound risk management framework, reviewing procedures to identify the main risks associated with the Group's businesses and the implementation of appropriate systems to manage these risks;
- f) Together with Key Senior Management, promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour, including code of conduct and ethics, policies and procedures on anti-corruption, whistleblowing, managing conflict of interest, managing material sustainability risks, and policy on board diversity including gender diversity;
- g) Reviewing, constructively challenging and making decision on Management's proposals for the Group and monitoring the implementation of these proposals;
- h) Selecting, appointing and evaluating from time to time the performance of, and planning succession of the GMD/ CEO under the guidance of the NC;
- i) Reviewing the procedures for appointment of Key Senior Management and ensuring that succession planning of the Key Senior Management is in place;
- j) Establishing an internal audit function which reports directly to the Audit Committee;
- k) Promoting effective communication and proactive engagements with shareholders and other stakeholders;
- l) Reviewing the adequacy and integrity of the Group's management information and internal control systems and ensuring there is an adequate group wide framework for co-operation and communication between the Company and its subsidiaries to enable it to discharge its responsibilities including oversight of group financial and non-financial performance, business strategy and priorities, risk management

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- including material sustainability risks, and corporate governance policies and practices;
- m) Ensuring Board members have access to information, advice and appropriate continuing education programmes;
 - n) Reviewing and approving formal and transparent remuneration policies and procedures to attract and retain directors and Key Senior Management;
 - o) Ensuring there is appropriate corporate disclosure policies and procedures, including but not limited to anti-corruption and whistle-blowing in identifying and combating illegal, unethical and questionable practices within the Group;
 - p) Encouraging the usage of information technology in communicating with the Group's shareholders and/ or stakeholders;
 - q) Taking reasonable steps in encouraging the shareholders' participation and voting by poll at general meetings of the Company/Group;
 - r) Promoting effective communication and proactive engagements with shareholders;
 - s) Undertaking an assessment of the INEDs annually; and
 - t) Ensuring the integrity of the Group's financial and non-financial reporting.

7. Nomination and Appointment

- a) The Group should ensure all directors (including the GMD/CEO) are of high calibre, sound judgment, high integrity and credibility as they are entrusted by the shareholders to manage and perform the Group effectively.
- b) All nominations of candidates for the positions as Directors (including the GMD/CEO) must be submitted to the NC for consideration. The NC shall apply the Fit and Proper Policy standards before recommending the candidates to the Board for consideration and approval. The Fit and Proper Policy applies to all appointments and re-election of the Directors of the Group. Candidates will be assessed based on character and integrity, experience and competence; and time and commitment before a recommendation is made to the Board for approval.
- c) In identifying candidates for appointment of Directors, the Board shall not solely rely on the recommendations from the existing Board members, Management or major shareholders and shall utilise independent sources to identify suitably qualified candidates.
- d) The Company Secretary has the responsibility of ensuring that relevant procedures relating to the appointments of new Directors are properly executed.
- e) Upon the appointment of a new Director, the Company Secretary shall guide the Director of his/her principal duties and responsibilities and explain the restrictions to which he or she is subject to in relation to price-sensitive information and dealings in the Company's securities. Thereafter, all Directors are provided with appropriate briefings on the Group's affairs and up-to-date Corporate Governance materials published by the relevant bodies/authorities.
- f) The Group should ensure 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

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issues within the Group, the corporate strategy and the expectations of the Group concerning input from Directors.

- g) The Group shall provide educational/ training programmes to update the Board in relation to new developments pertaining to the laws and regulations and changing commercial risks which may affect the Board and/or the Group.

8. Re-election

- a) An election of directors shall take place each year contingent on satisfactory evaluation of the director's performance and contribution to the Board.
- b) All directors are subject to retirement by rotation at least once in every three (3) years and is eligible for re-election.
- c) The Directors appointed under casual vacancy will only hold office until the next annual general meeting and will then be eligible for re-election.

9. Retention/ Re-designation of an independent director with cumulative term of more than nine (9) years

- a) The tenure of an Independent Non-Executive Director shall not exceed a cumulative term of nine (9) years. However, upon completion of the nine (9) years, an INED may continue to serve the Board, subject to the Directors' re-designation as a Non-Independent Non-Executive Director.
- b) The Board, upon recommendation of the NC, shall justify and seek shareholders' approval through a two-tier voting process in the event of the Board desires to retain a person who has served in that capacity for more than nine (9) years as an Independent Non-Executive Director.

Under the two-tier voting process, shareholders' votes will be casted in the following manner:-

- a) Tier 1: Only the Large Shareholder of the Company to vote; and
- b) Tier 2: Shareholders other than Large Shareholders to vote.

The resolution is deemed successful if both Tier 1 and Tier 2 votes support the proposed resolution.

Further, the long serving director is required to declare to the Company annually that he/she complies with the criteria of independence as stated in item 5.3.

10. Assessment and Development

- a) Directors' Assessment / Board Evaluation

The Board recognises the importance of assessing the effectiveness of individual Directors, the Board as a whole and its Committees. The Board reviews and

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evaluates its own performance and the performance of its Committees on an annual basis.

b) Directors' Training and Development

- The Group 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. The Management is primarily responsible for the induction programme with appropriate assistance from other senior Executive Directors.
- The Group has adopted educational/ training programmes to update the Board in relation to new developments pertaining to the laws and regulations and changing commercial risks which may affect the Board and/ or the Group.

In addition to the mandatory accreditation programmes as required by Bursa Securities, Board members are encouraged to attend training programmes conducted by highly competent professionals and which are relevant to the Group's operation and business.

- With the assistance of NC, the Board will assess the training needs of the Directors and ensure Directors have access to continuing education programme. The Board shall disclose in the annual report the trainings attended by the Directors.

11. Board/ Management Authorities

The Board shall have the authority to approve transactions or activities which are beyond the individual discretionary powers of senior officers or management committees delegated by the Board as per the Approving Authority limits stipulated in the relevant policy manuals of respective operating units subject to the provision of the Constitution of the Company.

12. Board Committees

The Board should establish and delegate certain duties to specialised Board Committees to oversee critical or major functional areas and to address matters, which require detailed review or in-depth consideration before tabling its recommendation to the Board for approval.

The Board has established the following Board Committees which operate within their specific TOR:-

a) NC

- To establish structured oversight process for recruiting, retaining, training and developing individuals qualified to become Board members to ensure the best composition of the Board.

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- ii. To provide a formal and transparent procedures for the appointment of directors as well as annual assessment of effectiveness of individual directors, Board Committees and Board as whole and Key Senior Management/ principal officers, including a review of the performance of the Board and senior management in addressing the Company's material sustainability risks and opportunities.
 - iii. To keep an eye on the need for succession in the boardroom, identify suitability of candidates against considerations such as competencies, commitment, contribution and performance, including the current composition of Board and Board committees, mix of skills and experiences of Directors whilst taking into account the current and future needs of the Group, Boardroom diversity (including gender diversity) and other soft attributes required as Directors of the Company/Group for Board's consideration and approval.
- b) Remuneration Committee
- i) To develop and administer a fair and transparent remuneration policy to attract, retain and motivate Directors and Key Senior Management to drive Group's long-term growth.
 - ii) To review and recommend to the Board on the remuneration of the Non-Executive Directors, by taking into account the level of expertise, commitment and responsibilities undertaken.
 - iii) To review and recommend to the Board on the remuneration package of the Executive Directors and Key Senior Management including, where appropriate, bonuses, incentive payments within the terms of the agreed remuneration policy and based on individual performance.
- c) Audit Committee
- i) To play a key role in the Group's governance structure and rigorously challenge and ask probing questions relating to risk management and internal controls systems, financial and accounting records and policies as well as the integrity in financial reporting, practices and policies of the Group.
 - ii) To review and assess the suitability and independence of the External Auditors and the Internal Auditors.
 - iii) To determine the risk appetite and to oversee the quality, integrity and effectiveness of the risk management and internal control systems of the Group.
 - iv) To review the response of management towards the recommendation proposed by the Internal Auditors and the External Auditors.
 - v) To review any related party transaction entered into by the Group and to determine if such transactions are undertaken on an arm's length basis and

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normal commercial terms and on terms not more favorable to the related parties than those generally available to the public and to review any conflicts of interest that may arise within the Group including any transaction, procedure or course of conduct that raises questions of Management's integrity.

- d) Risk Management and Sustainability Committee
 - i) To review the risk management and internal control framework of the Group and to ensure the approved risk management policies and procedures has comprehensively implemented by management in identifying, managing, controlling, monitoring and minimizing the critical risks exposure to the business and operations of the Group.
 - ii) To define risk appetite of the Company and oversight on the quality, integrity and effectiveness of the risk management systems and internal control systems and to ensure the Group maintains a sound risk management and internal control systems.
 - iii) To review the Management's response to the recommendation of the External and the Internal Auditors.
 - iv) To review the Group's sustainability strategy and initiatives covering environmental, social and governance as well as embedding sustainability practices into the business.

Duties and functions of the above-mentioned Board Committees are provided in their respective TOR, which are available at the Company's website.

13. Board Procedures

- a) The conduct of Directors will be consistent with their duties and responsibilities to the Company/Group and, indirectly, to the shareholders of the Group. The Board shall act within any limitations imposed by the provisions of relevant laws and guidelines on its activities;
- b) Directors will use their best endeavours to attend Board meetings. Directors are expected to participate fully, and contribute constructively in Board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the Board;
- c) Directors who are not able to attend a meeting will advise the Chairman at an earlier date as possible and confirm in writing to the Company Secretary;
- d) Board discussions and decision making shall be open and constructive, recognising that genuinely held differences of opinion could bring greater clarity and lead to better decisions. The Board Chairman will, nevertheless, seek a consensus of the Board but may, where considered necessary, call for a vote;
- e) All discussions and their record will remain confidential unless there is a specific direction from the Board to the contrary, or disclosure is required by law. Subject to

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legal and regulatory requirements, the Board will decide the manner and timing of the publication of its decisions, subject to the legal and regulatory requirements;

- f) Directors are expected to strictly observe confidentiality of the Group's information; and
- g) Directors are required to inform the Board of conflicts or potential conflict of interest that may have in relation to particular items of business or transaction. Subject to provisions of relevant laws and guidelines, these Directors shall abstain from deliberation and determination of those matters.

14. Authority

The Board shall within its TOR:

- a) Have complete, adequate and timely information prior to Board meetings and on an ongoing basis;
- b) Have the resources required to perform its duties;
- c) Have full and unrestricted access to any information pertaining to the Group;
- d) Have the authority to form management/ sub-committee(s) if deemed necessary and fit;
- e) Have the authority to delegate any of its responsibilities to any person or committee(s) that is deemed fit;
- f) Have direct communication channels with employees, senior management personnel and relevant external parties; and
- g) Be able to obtain independent professional or other advice.

15. Board Meetings and Minutes

Subject to relevant laws and guidelines, the following should be observed by the Board:-

- a) Amongst others, the Board papers include the following:
 - 1. quarterly financial report and report on the Group's cash and borrowing positions;
 - 2. minutes of all Board's Committees meetings;
 - 3. a current review of the business and operations of the Group;
 - 4. reports on Related Party Transactions and Recurrent Related Party Transactions;
 - 5. directors' shares-dealings, including public shareholdings spread; and
 - 6. annual management Plans.
- b) the Board shall meet on a quarterly basis, but in any event, no less than once in every three (3) months, or whenever deemed necessary;
- c) individual directors must attend at least 50% of the Board meetings held during the financial year or such other percentage as may be prescribed by the MMLR;
- d) the quorum of the meetings shall be met pursuant to the Constitution of the Company;

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- e) the Board is allowed to carry out resolutions in writing by way of circulation to all members and the Board and/or Board Committees return the duly signed resolutions to indicate their approval;
- f) the participation of the directors can be facilitated by means of conference telephone, conference videophone or any similar or other communications equipment by electronic means of which all persons participating in the meeting can hear each other as per the Company's Constitution. Such participation in a Board meeting shall constitute presence in person at such meeting;
- g) All decisions at such Board meeting shall be decided on a show of hands based on a majority of votes. In the case of an equality of votes, the Board Chairman shall be entitled to a casting vote in addition to the vote which he is entitled as a Board member;

The Chairman will have no casting vote if two (2) Directors form a quorum, or if there are only two (2) Directors competent to vote on the question at issue.

- h) Head of the respective division units, relevant management personnel and external independent advisors may be invited to attend the Board meetings as and when the need arises;
- i) The Company Secretary or his/her nominee shall minute the proceedings and resolutions, including the names of all attendees. Draft minutes of meetings of the Board shall be circulated promptly to all members of the Board;
- j) Meetings of the Board shall be called by the Secretary of the Board at the request of the Chairman of the Board based on planned calendar dates. Notice of each meeting confirming the venue, time and date, together with an agenda of items and its supporting papers to be discussed, shall be forwarded to each member of the Board;
- k) Except in the case of an emergency, reasonable notice of every meeting no later than seven (7) days before the date of the meeting shall be given in writing and the notice of each meeting shall be served to the Board either personally or by fax or e-mail, fax, or by post or by courier to his/her registered address as appearing in the Register of Directors or to the address provided by the Board, as the case may be; and
- i) The meeting papers and/or other relevant information to be discussed shall be supplied to all Board members at least five (5) business days prior to the Board meeting in order for them to discharge their duties and responsibility effectively.

16. General Meeting - Annual General Meeting ("AGM")
- Extraordinary General Meeting ("EGM")

- a) The Board regards the general meeting as an important event in the corporate calendar of which all Directors and key senior management should attend.

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- b) The Company/Group regards the general meeting as the principal forum for dialogue with shareholders and aims to ensure that the general meeting provides an important opportunity for effective communication with, and constructive feedback from, the Company's shareholders.
- c) The Board Chairman encourages active participation by the shareholders during the general meeting. To encourage poll voting during the general meeting, the Board Chairman shall inform shareholders of their right to demand for a poll at the commencement of the meeting.
- d) The Company shall ensure that the conduct of general meetings supports meaningful engagement between the Board, senior management and shareholders. The Board Chairman and, where appropriate, the GMD/ CEO responds to the shareholders' queries during the meeting. Where necessary, the Chairman will undertake to provide a written answer to any significant question that cannot be readily answered at the meeting.

The Board Chairman shall inform the shareholders to share feedback and questions outside of the general meeting by sending email to the Board.

- e) The Company will publish to shareholders (via corporate website) the complete minutes of the general meeting detailing the meeting proceedings including issues or concerns raised by shareholders and responses by the Company no later than 30 business days after the completion of the general meeting.
- f) The Company will leverage technology to facilitate–
 - voting including voting in absentia; and
 - remote shareholders' participation at general meetings.

The Company will take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

17. Remuneration of Directors

- a) The Company/Group aims to set remuneration at levels which are sufficient to attract and retain the Directors needed to run the Company/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.
- b) The level of remuneration for the GMD/ CEO and Executive Directors is determined by the Remuneration Committee after giving due consideration to the compensation levels for comparable positions among other similar Malaysian public listed companies.
- c) Non-executive directors are entitled to participate in the Company's Employee Share Issuance Scheme subject to approval at a general meeting. Non-executive directors who participated in the Share Issuance Scheme are prohibited to sell,

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transfer or assign the shares within one (1) year from the date of offer of such options.

- d) No Director other than the GMD/ CEO and Executive Directors shall have a service contract with the Company/Group.
- e) Fees payable to Non-Executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover. Salaries payable to executive directors may not include a commission on or percentage of turnover.
- f) The fees of Directors, and any benefits payable to Directors shall be subject to annual shareholder approval at a general meeting.

18. Declaration of Interest / Conflict of Interest

The Directors of the Group shall establish policies and procedures to manage conflict of interest situations including potential conflict of interest between any Director and the Group.

- a) A Director who is in any way, whether directly or indirectly interested in a contract or proposed contract with the Company and/or Group shall declare his/her interest in accordance with the provisions of the Companies Act 2016. The Directors shall state the fact and the nature, the character and extent of any office or profession of any property that may duly, directly or indirectly be in conflict with his duties as a Director.

The Director concerned shall not participate in deliberations and shall abstain from voting on any matter arising therefrom.

Should there be an actual, potential or perceived conflict of interest between the Company and/or Group or a related corporation and a Director or an associate of a Director as a spouse or other family members, the Director involved shall make full disclosure and act honestly in the best interests of the Company/Group.

- b) If a conflict or potential conflict situation exists, it is required that the conflicted Director shall be absent from the meeting whilst the Board discusses the matter and not vote on the matter, unless the other directors who do not have a material personal interest in the matter have passed a resolution that states that those directors are satisfied that the interest should not disqualify the director from being present.
- c) Directors are expected to disclose to the Company/Group and notify/advise the Company Secretary of any proposed Board or executive appointment to other companies as soon as practicable.

A Director of the Group must not be accept a benefit from or provide a benefit to a third party by reason only of :-

- Him/her being a director; or
- Him/her doing something or refraining from doing anything as a Director;

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Unless he/she is permitted to do so by the Company/Group's Constitution or the Group's code of conduct, and it is not contrary to any written law.

19. Access to Information and Independent Advice

- a) The Directors shall have access to Management for relevant and additional information or seek explanations, as and when required. At the request of the Board, Management is obliged to supply in a timely manner, all relevant information to enable director to make sound business judgments and discharge their duties more effectively and efficiently.
- b) A director of the Company is entitled to seek independent professional advice at the Company's expense on any matter connected with the discharge of their responsibilities. Individual Directors may also obtain independent professional or other advice in furtherance of their duties, subject to approval by the GMD/CEO and Chairman of the Board, depending on the quantum of the fees involved.

20. Maintaining Proper Records and Accounts

- a) The Group and its directors must cause to be kept the accounting records and other records to:-
 - Sufficiently explain the business, transactions and financial position of the listed corporation and its subsidiaries.
 - Enable the preparation of true and fair financial statements; and
 - Enable the accounting and other records of the Group to be conveniently and properly audited.
- b) The Group must ensure that it retains all records for not less than seven (7) year from the completion of the transactions or operations to which the entries or records relate.
- c) If any accounting and other records are kept at a place outside Malaysia, the Securities Commission ("SC") may direct the directors of the Group to produce any of those records at a place in Malaysia and how those records are to be kept in Malaysia.

21. Financial Reporting

- a) Transparency
 - i) The Group aims to present a clear and balanced assessment of the Group's financial position, future prospects, price-sensitive information and other relevant reports submitted to the regulators.
 - ii) The Directors ensure that the 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.

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- iii) 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.
- iv) The Auditors Report shall contain a statement from the External Auditors explaining their responsibility in forming an independent opinion, based on their audit, of the financial statements.

b) External Auditors

- i. 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 External Auditors through its Audit Committee.
- ii. The Audit Committee also keeps under review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the External Auditors. The Group ensures that the External Auditors do not supply a substantial volume of non-audit services to the Group.
- iii. Appointment of the External Auditors is subject to approval of shareholders at General Meetings. The External Auditors have to retire at the AGM every year and be re-appointed by shareholders for the ensuing year, subject to the approval of shareholders.

22. Stakeholders of the Company

The Company has established channels such as engagement forums or use of electronics means (corporate website and email) to undertake active engagements with the relevant stakeholders for example employees, shareholders, potential investors, and consumers to gain a better understanding of the expectations and concerns (if any) of these stakeholders and the Company's impact on them.

a) Shareholders

- i. The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company and as such adopts an open and transparent policy in respect of its relationship with its shareholders and investors.
- ii. The Board ensures the timely release of financial results on a quarterly basis to provide shareholders with an overview of the Company's performance and operations in addition to the various announcements made during the year.
- iii. The Company leverages on information technology for effective dissemination of information. The Company's website provides easy access to corporate information pertaining to the Company and its activities and is continuously updated.

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b) Other Stakeholders

- i. In the course of pursuing the vision and mission of the Company, the Board recognises that no Company can exist by maximising shareholders value alone. In this regards, the needs and interests of other stakeholders are also taken into consideration.

c) Employees

- i. The Board acknowledges that the employees are invaluable assets of the Company and play a vital role in achieving the vision and mission of the Company.
- ii. The Company has made effort to provide high quality work, health and safety environment to our employees as well as the Group's stakeholders. The Group continues to adhere to the industry and health policy to ensure that a safe and healthy working environment is provided to the employees of the Group at all times.

Opportunities will be given to the Group's employees for attending external and on-the-job training to enhance their skills, job knowledge and personality.

d) Environment

- i. The Board acknowledges the need to safeguard and minimises the impact to the environment in the course of achieving the Company's vision and mission.
- ii. The Company continues promoting environmentally-conscious work practices in order to reduce environmental impact, enhance energy efficiency and to promote recycling wherever possible. The Group complies with the environmental laws and regulations.

e) Social Responsibility

- i. The Board acknowledges that the Company should play a vital role in contributing towards the welfare of the community in which it operates.
- ii. The Company adopts comprehensive and documented policies and procedures towards responsible marketing and advertising its products and services.
- iii. The Company supports charitable causes and initiatives on community development projects.

f) Company's sustainability risks and opportunities

The Board will proactively consider sustainability issues such as health and safety, data governance and privacy as well as climate action when it oversees the planning, performance and long-term strategy of the company, to ensure the

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Company remains resilient, is able to deliver durable and sustainable value as well as maintain the confidence of its stakeholders.

Management will integrate sustainability considerations in the day-to-day operations of the Company and ensure the effective implementation of the Company's sustainability strategies and plans.

The Board and Management will continuously engage and consider the views of its internal and external stakeholders to better understand and manage the Company's sustainability risks and opportunities.

The Company's sustainability strategies, priorities as well as targets and performance against these targets will be communicated to the employees so that they are aware and understand the Company's approach to sustainability ('what we do and why we do it').

The Company will inform the external stakeholders through the appropriate means such as engagements and company disclosures, this includes how close (or far) is the Company from achieving its targets, and actions the company has or will take to address any gaps.

23. Company Secretary

- a) 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.
- b) The Company Secretary is accountable to the Board through the Chairman of the Board and Committees on all governance matters.
- c) 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.
- d) The Company Secretary should guide Directors of their obligations to adhere to matters relating to:
 - i. disclosure of interest in securities
 - ii. disclosure of any conflict of interest in a transaction involving the Company
 - iii. prohibition on dealing in securities
 - iv. restrictions on disclosure of price-sensitive information.
- e) The Company Secretary must keep abreast of, and inform, the Board of current governance practices.
- f) The Board members have unlimited access to the professional advice and services of the Company Secretary.

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24. Diversity Policy

The Board acknowledges the importance of boardroom diversity and the recommendation of the Malaysian Code on Corporate Governance 2021 pertaining to the establishment of a gender diversity policy.

The Company adopts a policy of non-discrimination on the basis of race, age, religion and gender. Thus, the Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with competency, skills, experience, character, time commitment, integrity and other qualities in meeting the future needs of the Company.

25. Review of the Board Charter

The Board will review this Charter from time to time and make any necessary amendments when there are changes to the Malaysian Code on Corporate Governance and the Main Market Listing Requirements that may have an effect on the Board's responsibilities.

Any updates to the principles and practices set out in this Charter will be made available on the Company's website.

This Charter shall be assessed, reviewed and updated from time to time in accordance to any revisions to amongst other the Malaysian Code of Corporate Governance, Main Market Listing Requirements. of Bursa Securities and/or other rules and regulations that may be applicable or have an effect on the responsibilities of the Board.

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APPENDICES OF BOARD CHARTER

APPENDICES OF BOARD CHARTER

- i. List of Matters Reserved for the Board
- ii. Corporate Disclosure Policy
- iii. Directors' Code of Conduct
- iv. Whistleblowing Policy
- v. Remuneration Policy
- vi. Board Diversity Policy
- vii. Procedure for the appointment of Directors and Key Senior Management
- viii. Succession Planning
- ix. Policies and Procedures to Assess the Suitability and Independence of External Auditors ("Assessment Policy and Procedures")
- x. Fit & Proper Policy

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BOARD CHARTER
- LIST OF MATTERS RESERVED FOR THE BOARD**

LIST OF MATTERS RESERVED FOR THE BOARD

Apart from matters which are expressly required by law to be approved by the Board, the following matters shall be especially reserved for the Board's approvals, amongst others, are as follows:-

- i. Charters for Board Committee;
- ii. Material acquisitions and disposals of assets not in the ordinary course of business of the Group;
- iii. Related party transactions;
- iv. Authorisation levels/ limits;
- v. Treasury policy;
- vi. Risk management policy;
- vii. Dividend policy and recommendation of interim and final dividends;
- viii. Strategic plan, annual operating and capital expenditure budgets;
- ix. Financial statements;
- x. Material contracts within the Group;
- xi. Change of auditors based on recommendations from the Audit Committee;
- xii. Change of Directors of the Group, Managing Director/ Chief Executive Officer and other Key Senior Management positions based on the recommendation of Nomination Committee;
- xiii. Promoting effective communication and proactive engagements with shareholders;
- xiv. Recommending amendments to the Constitution of the Company;
- xv. The frequency of meetings of the Board;
- xvi. The convening of general meetings of shareholders of the Company;
- xvii. The appointment, removal or replacement of the Company Secretaries;
- xviii. Recommending to the shareholders that any ordinary or special resolutions in respect of the Company;
- xix. Recommending to the shareholders to take a particular course of action proposed by the Board;
- xx. The approval and authority to issue circulars to the shareholders of the Company;
- xxi. Conflict of interest issues related to a Director or a substantial shareholder; and
- xxii. Key human resources issues.

**HARRISONS HOLDINGS (MALAYSIA) BERHAD
REGISTRATION NO. [199001003108 (194675-H)]BOARD CHARTER
- CORPORATE DISCLOSURE POLICY**

1. INTRODUCTION

The Board is committed to provide effective communication to its shareholders and general public.

2. OBJECTIVES

The objectives of the Disclosure Policy are as follows:

- (i) To raise awareness and provide guidance to the Board, Management, officers and employees on the Company's disclosure requirements and practices;
- (ii) To provide guidelines and policies to disseminate corporate information;
- (iii) To ensure compliance with all applicable legal and regulatory requirements on disclosure of material information; and
- (iv) To build good investor relations with the investing public that inspires trust and confidence.

3. APPLICATION OF THE POLICY

This Policy applies to all directors, officers, employees, consultants and contractors of the Company and its subsidiaries.

4. COMMUNICATION OF DISCLOSURE POLICY

This Corporate Disclosure Policy will be circulated and made available to all present and new directors, officers, employees, consultants and contractors of the Company and its subsidiaries.

A revised version of this Corporate Disclosure Policy will be distributed whenever significant changes are made.

5. ADMINISTRATIVE RESPONSIBILITY

Directors should maintain the confidentiality of information entrusted to them by the Group and any other confidential information about the Group that comes to them except when disclosure is authorised by the Board or required to do so by law or regulatory body.

6. SCOPE

The Corporate Disclosure Policy of the Company sets out when disclosure is required by the Company.

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- CORPORATE DISCLOSURE POLICY

6.1 Immediate Disclosure of Material Information

- (a) The Company must announce immediately any material information. (i.e. reasonably expected to have an effect on price, value or market activity of the share or investment decision making).
- (b) The Company must announce immediately the occurrence of events prescribed under the Main Market Listing Requirements.
- (c) The Company must announce immediately transactions which trigger the prescribed materiality threshold.
- (d) The Company must announce its quarterly financial statements and annual reports.

6.2 Contents of Announcement or Circulars

- (a) The Company must emphasise substance over form when disclosing announcement or circulars.
- (b) The Company aims to ensuring the investing public has a good understanding of information disclosed.
- (c) The Company must disclose the total consideration together with the basis and justification for the consideration.
- (d) The Company must disclose the contribution to group's net profit in a disposal transaction including the intended application of sale proceeds.
- (e) Contents in circulars must be factual, clear and not lengthy to facilitate easy understanding.

6.3 Maintaining Confidentiality of Information

- (a) The Company will withhold or delay disclosure of material information temporarily where disclosure would prejudice the ability of the Company to pursue its corporate objectives.
- (b) If material information is being withheld the Company must ensure that confidentiality is maintained to minimise information leakage.
- (c) Persons involved in the confidential transactions or in possession of price sensitive information shall ensure strict confidentiality.

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BOARD CHARTER
- CORPORATE DISCLOSURE POLICY

- (d) If confidentiality of information is lost the Company must undertake an enquiry to ascertain the leakage and take appropriate steps to announce to Bursa Securities.

6.4 Clarification, Confirmation or Denial of Rumours or Reports

Whenever the Company becomes aware of a rumour or report, it should ascertain whether it contains undisclosed material information and make an announcement to Bursa Securities to deny or clarify the matter, and provide sufficient supporting information in accordance with the Main Market Listing Requirements.

The Company must not make evasive announcement that do not clarify, confirm or deny a rumours or report.

6.5 Unusual Market Activity

Where there is unusual trading activity or price movement in the Company's shares, the Company must upon query from Bursa Securities undertakes due enquiry to determine the cause and issue a clarifying announcement.

6.6 Equal Access to Material Information

The Company can provide any information to journalists, analysts and fund managers as long as it does not include any undisclosed material information.

The Company must immediately announce to Bursa Securities any non-public material information which has been inadvertently disclosed when responding to question from journalists, analysts or fund manager.

When conducting meetings with outside parties, the Company keeps to a minimum number of authorised spokespersons.

The Company will disseminate information through its website to shareholders and to enhance investor relations including email address, name of designated person, contact numbers to enable public to forward queries.

7. OTHER DISCLOSURE

7.1 Profit Guidance

Where there is material improvement or deterioration in the Company's financial results, the Company will assess the impact and immediately provide a profit guidance statement on the likely impact.

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BOARD CHARTER
- CORPORATE DISCLOSURE POLICY

7.2 Fraud/Financial Irregularity

Where there is a fraud or financial irregularity taking place, the Company will immediately assess the materiality and immediately announce if it is material including the financial and operational impact and steps taken to address it.

7.3 Announcement by External Parties/Authorities

The Company will immediately announce to Bursa Securities any announcement by a government ministry or agency regarding a government policy which is material to the Company including the business and financial impact.

7.4 Disclosing Purpose and Utilisation of a General Mandate

The Company may procure a general mandate from its shareholders at a general meeting to issue shares in accordance with the Companies Act 2016 and the requirements under the Main Market Listing Requirements.

7.5 Quality of Financial Disclosure and Timely Disclosure

The Board is responsible for the preparation of timely and reliable financial statements and represents a true and fair view of the statement of affair of the Company.

To facilitate easy reference, the Company discloses in its annual report, financial highlight of major items including disclosure in its notes to the quarterly report, a detailed analysis of the performance of all operating segments of the Group and details of major components in the statement of cash flows.

8. OBTAINING FEEDBACK

The Company has developed various channels via email, mail or telephone for shareholders and major stakeholders to provide their comments and feedback in relation to Company's operational, performance, governance and strategic matters.

The Company will consider the relevant comments and feedback received in establishing its corporate strategy.

9. REVIEW

The Board will review this Corporate Disclosure Policy annually to ensure it remains consistent with the Board's objectives and responsibilities.

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BOARD CHARTER
- DIRECTORS' CODE OF CONDUCT

DIRECTORS' CODE OF CONDUCT

Board Members are required to observe the Directors' Code of Conduct as follows:-

- i. Compliance at all times with this Code of Conduct and the Board Charter.
- ii. Observe high standards of corporate governance at all times.
- iii. Adhere to the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership.
- iv. Act in good faith and in the best interests of the Company and Group, and exercise reasonable care, skill and diligence according to the knowledge, skill and experience.
- v. Limit his/her directorship of companies to a number in which he can best devote his time and effectiveness.
- vi. Not misuse information gained in the course of duties for personal gain or for political purpose, nor seek to use the opportunity of the service as directors to promote their private interests or those of connected persons, firms, businesses or other organisations.
- vii. Uphold accountability at all time. This includes ensuring that the Company's resources are properly safeguarded and the Company conducts its operations as economically, efficiently and effectively as possible at all time.
- viii. At all times act with utmost good faith towards the Company in any transactions and act honestly and responsibly in the exercise of his/her powers in discharging his/her duties.
- ix. Board Members should not accept positions on Board Committees or working groups where a conflict of interest is likely to arise, without first declaring that interest.
- x. Declaration of any personal, professional or business interests that may conflict with directors' responsibilities. Guidance on declaration and registration of interest is given in the section entitled "Declaration of Interests" below.
- xi. Follow the guidance on acceptance of gifts and hospitality as stated in the section entitled "Guidelines on Acceptance of Gifts" below.
- xii. Be conscious of the interests of shareholders, employees, creditors and customers of the Company.
- xiii. At all times promote professionalism and improve the competency of management and employees.
- xiv. Ensure adequate safety measures and provide proper protection to workers and employees at the workplace.
- xv. Ensure the effective use of natural resources, and improve quality of life by promoting corporate social responsibilities;
- xvi. Should be more proactive to the needs of the community and to assist in society-related programmes.
- xvii. Ensure that the activities and the operations of the Company do not harm the interest and well-being of society at large.

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BOARD CHARTER
- DIRECTORS' CODE OF CONDUCT**

DECLARATION OF INTERESTS

Subject to the requirements of any acts, rules or regulations that are in force from time to time and in addition to such mandatory requirements, members of the Board are required to notify the

Company Secretary changes in the following:-

- 1) Shareholding in the Company or its related corporations, whether direct or indirect; and
- 2) Directorships or interests in any other corporations.

In addition to the above, Board member who has a material interest, either directly or indirectly through a partner, spouse, children, parents, siblings, close relative and a body corporate which is associated to the directors, in matters being considered by, or likely to be considered by the Board should declare that interest at the Board Meeting. Such declarations should describe the interest clearly and state whether it carries direct or indirect financial benefits.

Relevant interests in this context are as follows:-

1. Executive and non-executive directorships of, significant shareholdings in, or employment by, public or private companies likely or possibly seeking to do business with the Company.
2. Ownership or part-ownership of, or employment by, business or consultancies likely or possibly seeking to do business with the Company.
3. Directorship or ownership in public or private companies which are already dealing with the Company.

REGISTER OF INTERESTS

The Code requires that a formal register of interests be established. The register should include details of all directorships and other relevant interests declared by Board Members and members of Key Senior Management.

CONDUCT IN MEETINGS

Any Board Member who has a clear and substantial interest in a matter under consideration by the Board should declare that interest at any meeting where the matter is to be discussed, whether or not that interest is already recorded in the register. The Board Member concerned should withdraw from the meeting during the relevant discussion or decision.

MEMBERSHIP OF COMMITTEES

Board Members should not accept positions on Board Committees or working groups where a conflict of interest is likely to arise, without first declaring that interest.

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BOARD CHARTER
- DIRECTORS' CODE OF CONDUCT**

GUIDANCE ON ACCEPTANCE OF GIFTS

The following set out the guidelines on acceptance of gifts:-

- a. The conduct of individuals must not create suspicion of any conflict between their position as a member of the Board and any private interest;
- b. Board Members acting as such must not give the impression that they have been influenced by a benefit to show favour or disfavour to any person or organisation having dealings with the Company.
- c. Board Members must not accept any benefit as an inducement or reward for taking any action (or specifically not taking any action) in their official capacity as a Board Member; and
- d. Gifts other than of token value should generally be refused.

**HARRISONS HOLDINGS (MALAYSIA) BERHAD
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BOARD CHARTER
- WHISTLEBLOWING POLICY**

1. INTRODUCTION

HARRISONS HOLDINGS (MALAYSIA) BERHAD Group of Companies recognises whistleblowing as an important mechanism in the prevention and detection of improper conduct, harassment or corruption in the conduct of its businesses and operations.

Whistleblowing Policy is designed to encourage employees to disclose any malpractice or misconduct of which they become aware and importantly to provide protection for employees who report allegations of such malpractices or misconducts.

2. SCOPE OF POLICY

The policy applies to all employees, suppliers, agents, contractors and customers of the Group. Any whistleblowing employee is protected and any member of public who participate or assist in an investigation will also be protected. Every effort will be made to protect the anonymity of the whistleblower, however there may be situations where it cannot be guaranteed.

The strategies incorporated in this policy aim to address such reporting, responsibility, confidentiality and effective investigation. The purpose is to improve the systems and procedures, changing the attitudes of employee and improving the overall integrity and performance of the Group.

Below are some examples of business misconduct:

- a) Bribery;
- b) Anti-trust;
- c) Money laundering;
- d) Criminal offence;
- e) Fraud; and
- f) Corporate misconduct.

3. CONFIDENTIALITY

HARRISONS HOLDINGS (MALAYSIA) BERHAD Group of Companies is committed to the protection of genuine whistleblower against detrimental action taken in reprisal for the making of protected disclosures. The Group will take all reasonable step to protect the identity of the whistleblower, in ensuring reprisals are not made against a whistleblower. Subject to the whistleblower is not involved in the malpractice or misconduct, an employee who whistleblows internally shall be protected against any adverse employment actions (discharge, demotion, suspension, harassment, or other forms of discrimination) for raising allegations of business misconduct.

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BOARD CHARTER
- WHISTLEBLOWING POLICY

4. DISCLOSURE METHODS

There are many methods by which whistleblowers may make a disclosure:

- from a phone call to report the suspect incidents or cases;
- written disclosure posted to the MD/ CEO. However, if it is believed that is not possible, then the concern should be reported to the Audit Committee Chairman.

Disclosure of suspected improper activity or detrimental action can be made through formal or informal channels:-

1. Formal
 - A personally written formal disclosure;
 - A formal meeting with the MD/ CEO or Audit Committee Chairman;
 - A phone call maintaining a sense of formality; or
 - A formal email.
2. Informal
 - An informal meeting with the MD/ CEO or Audit Committee Chairman;
 - A casual phone call;
 - Casual discussion;
 - Casual email; or
 - Any other communication chosen by the person making the disclosure.

The disclosure report shall be made in good faith with a reasonable belief that the information and any allegation in it are substantially true and are not made to seek any personal gains or for malicious purposes.

5. INVESTIGATOR

Upon receipt of the report, the investigation officer appointed by the MD/ CEO or Audit Committee Chairman shall carry out the investigation immediately.

At the conclusion of the investigation, the investigator will submit a written report of his or her findings to the Audit Committee.

6. ACTIONS

Subsequent to the findings of the investigation, the Audit Committee shall provide a written report to the Board and remedial steps shall be taken accordingly.

Where the investigation concludes that the disclosed conduct did not occur, the Board will report these findings to the whistleblower.

HARRISONS HOLDINGS (MALAYSIA) BERHAD
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BOARD CHARTER
- REMUNERATION POLICY

1. PURPOSE

This Remuneration Policies and Procedures set out pertinent remuneration principles and guidelines for the Board of Directors (comprising Executive Directors and Non-Executive Directors) (“Board”) of the Company and Senior Management (defined as personnel in the position of General Manager and above) of the Company and its subsidiaries (“Group”).

The Remuneration Policies and Procedures are designed to:

- create a remuneration structure that is competitive so as to attract, reward, motivate and retain Directors and Senior Management who lead the Group towards realising its business strategies and long-term objectives;
- provide transparency, clarity and an independent process on compensating Executive Directors and Senior Management, taking into account their experience, knowledge, extent of responsibility and individual performance, including the performance of the Group and prevailing market and industry statistics; and
- provide a structured basis in determining the remuneration of Non-Executive Directors, which is commensurate with the responsibilities of the Non-Executive Directors, for example their involvement and contribution both in the Board and Board Committees, including attendance at meetings.

The Remuneration Policies and Procedures are structured based on the following key principles:

- the remuneration shall be set at levels that are competitive with the relevant market and industry with the aim of attracting and retaining talents as part of the Group’s succession plan;
- the performance measures and targets shall be aligned with shareholders’ interest in mind;
- provide an appropriate level of transparency to ensure the policy for the remuneration of Directors and Senior Management is understood by investors;
- a) the Company’s performance in managing material sustainability risks and opportunities;
- b) the remuneration and incentives for independent directors should not conflict with their obligation in bringing objectivity and independent judgment on matters discussed; and
- c) ensure a level of fairness and consistency in remuneration.

2. PROCEDURE

The Remuneration Committee is responsible for recommending to the Board the policy framework on terms of employment and on all elements of the Directors’ remuneration and remuneration package for the Executive Directors and Key Senior Management.

The Remuneration Committee is authorised to review and recommend the annual bonus and salary increment of the Executive Directors and Key Senior Management of the Company.

Directors’ Remuneration is decided by the Board with the Director concerned abstaining from deliberations and voting accordingly. The Remuneration Committee shall, from time to time, consider the need to enhance one or more aspects of the remuneration packages

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BOARD CHARTER
- REMUNERATION POLICY

in tandem with development in the market place. Accordingly, the Remuneration Committee may seek professional advice from outside sources for the purpose of formulating an attractive and competitive compensation and benefits package to attract, retain and motivate talents. It's nevertheless, the ultimate responsibility of the Board to approve the remuneration of the Directors.

3. THE REMUNERATION COMMITTEE SHALL:

- i) Ensure that Director, whether executive or non-executive, should abstain from discussion and from participating in decision of their remuneration packages.
- ii) Recommend and advise the Board on the remuneration and terms of conditions (and where appropriate, severance payments) of Executive Directors.
- iii) Recommend to the Board the level, composition and periodic review of Directors' Remuneration.
- iv) Seek comparative information on remuneration and conditions of service in comparable organisations and market practice.
- v) When considering severance payments, the Remuneration Committee should bear in mind that it must represent the public interest and avoid any inappropriate use of public funds. Care should be taken to avoid determining a severance package that public might deem to be excessive.
- vi) Consider that the determination of the remuneration packages of Non-Executive Director (whether in addition to or in lieu of their fees as directors) is a matter for the Board as a whole.
- vii) Review and recommend to the board of any extra remuneration to be paid to any Directors who is appointed to any executive office or serves on any committee or who otherwise performs or renders services, which in the opinion of the Directors are outside his ordinary duties as a Director of the Company.
- viii) Ensure that fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting.
- ix) Provide the Board with the opportunity to review, prior to implementation, the composition of any management incentive scheme.
- x) Provide the Board with the opportunity, to review, prior to implementation, the nature, composition and eligibility for any employee share option scheme.
- xi) Carry out other responsibilities, functions or assignments as may defined by the Board from time to time.

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4. DIRECTORS' REMUNERATION PACKAGE

The Executive Directors and Key Senior Management shall be provided a letter of appointment, setting out the terms and conditions of engagement, responsibilities for the role and remuneration package.

The Executive Directors and Key Senior Management are paid a fixed remuneration, consisting of base salary, allowances and other benefits such as company car and fuel allowance, contribution to the Employees Provident Fund, insurance and medical benefits.

The remuneration package of the Directors is as follows:

i) Basic Salary

The basic salary for the Executive Directors and Key Senior Management are recommended by the Remuneration Committee, taking into account the individual performance, the consumer price index and information from independent sources on the rates of salary for similar positions in other comparable companies. The salary is reviewed annually. The salary payable pursuant to a contract of service need not be determined by the Company in general meeting but such salary and emoluments may not include a commission on or percentage of turnover of the Company.

ii) Fees

The Directors shall be paid by way of fees for their services, such fixed sums (if any) as shall from time to time be determined by an ordinary resolution of the Company in general meeting and shall (unless such resolution otherwise provide) be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office.

The 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.

iii) Bonus Scheme

The Group operates a bonus scheme for all employees, including the Executive Director and Key Senior Management. The criteria for the scheme is dependent on the level of profits achieved from certain aspects of the Group's business activities as measured against targets, together with an assessment of each individual's performance during the period. Bonuses payable to the Executive Directors and Key Senior Management are reviewed by the Remuneration Committee and approved by the Board.

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iv) Benefits-in-kind

Other customary benefits (such as private medical cover, car, etc) are made available to Directors as appropriate.

v) Pension Arrangements

The Executive Director contributes to the Employees Provident Fund, which is the national mandatory contribution plan.

vii) Service Contract

The contract of service for GMD/CEO and Executive Director are reviewed and recommended by the Remuneration Committee to the Board for approval.

The Remuneration Committee shall review and assess the adequacy, effectiveness and continued relevance of the Policies and Procedures at least once in every three (3) years. Any requirement for amendment shall be deliberated by the Remuneration Committee, and any recommendation for revisions shall be presented to the Board for approval.

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BOARD CHARTER
- BOARD DIVERSITY POLICY

1. INTRODUCTION

This Policy pursues to record, more formally, the Company's policy on Board diversity and to recognise the recommendation of the Malaysian Code on Corporate Governance 2021.

2. PRINCIPLES AND OBJECTIVES

The Group strictly adheres to the practice of non-discrimination of any form, whether based on race, age, religion and gender throughout the organisation, which includes the selection of Board members. The Board encourages a dynamic and diverse composition of members by nurturing suitable and potential candidates equipped with competency, skills, experience, good character, time commitment, integrity and other qualities in meeting the future needs of the Company.

The objectives of this Policy are to have a Board which:

- is characterised by a broad range of viewpoints rather than just diversity in skills and experience; diversity in viewpoints would exist if there are diversity in gender, nationality, age, culture and socio-economic backgrounds; and
- has sustainable development as its core value, thus promoting the interests of all our stakeholders, particularly the long-term interests of our shareholders, fairly and effectively.

3. SCOPE & POLICIES

The Board considers that the concept of diversity incorporates a number of different aspects, such as professional experiences, business experiences, skills, knowledge, gender, age, ethnicity and educational background.

(a) Board Mix

The Board shall include a balanced composition of Executive, Non-executive and Independent Non-executive Directors to promote a strong element of independences in the Board. The Independent Non-executive Directors shall be of sufficient calibre and standing, for their views to carry weight.

(b) Skills and Experience

The Board shall possess a balance of appropriate skills for the requirements of the business of the Company. The Directors shall have a mix of financial, legal, management and other backgrounds which when working in synergy, could provide the Company with considerable experience in a wide range of activities.

The Directors should have the capacity and competency to tackle questions and deliberate on sustainability, as well as evaluate the sustainability risks and opportunities, and make informed decisions on the matter.

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(c) Gender

The Board takes cognisance of the recommendation of the Malaysian Government to have at least 30% women as decision makers in corporate sector. The Company shall endeavour to increase female representation on the Board if there are appropriate candidates available when Board vacancies arise.

(d) Ethnicity/Nationality

The Company aspires to have a board of directors of different nationality/ ethnic backgrounds who can contribute their knowledge and understanding of the business, industry and environment.

(e) Age

The Board is fully committed to promote age diversity, valuing the contribution of its members regardless of age, and seeks to eliminate age stereotyping and discrimination

4. MEASURABLE OBJECTIVES

This Diversity Policy framework for the Group is aimed towards achieving the following objectives:

1. Selection of candidates will be based on a range of diversity perspectives, including but not limited to, professional experiences, business experiences, skills, knowledge, gender, age, ethnicity, educational background and sufficient understanding and knowledge of sustainability issues that are relevant to the company and its business, to discharge its role effectively. The ultimate decision will be based on merit and contributions that the selected candidates will bring to the Board. The Board's composition (including gender, ethnicity and age) will be disclosed in the Corporate Governance Overview Statement and Corporate Governance Report annually.
2. The Board acknowledges the importance of promoting gender diversity. Hence, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board remains a priority.

5. MONITORING AND REPORTING

1. Pursuant to the TOR, the NC is (among other things) responsible for:
 - reviewing, recommending and considering candidates to the Board and committees of the Board;
 - assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Director on an on-going basis; and

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- assessing the balance of the Board membership and determining the core competencies and skills required for the Board
2. The NC shall report to the Board on:
 - initiatives undertaken by the Board in relation to board Diversity and to achieve the Measurable Objectives;
 - progress in achieving the Measurable Objectives; and
 - recommendations regarding Measurable Objectives.
 3. The Board shall, at least annually, assess:
 - Measurable Objectives; and
 - the progress in achieving the Measurable Objectives.
 4. The Board will ensure that appropriate disclosures are made in the Annual Report regarding Board Diversity.

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BOARD CHARTER**

**- PROCEDURE FOR THE APPOINTMENT OF DIRECTORS AND KEY SENIOR
MANAGEMENT**

1. INTRODUCTION

To develop a formal set of terms of appointment for Directors and GMD/ CEO

2. OBJECTIVE

To have clear terms of appointment for Directors and GMD/ CEO which defines scope of responsibility and accountability, tenure, retirement age, performance goals, misconduct and termination clause among others.

**3. PROCEDURE FOR APPOINTMENT FOR THE BOARD AND CEO/GROUP MD/
CEO**

1. Recruitment

- Recruitment of the Board and GMD/ CEO can be sourced out from internally or externally.
- Internal sources:
 1. Internal nomination from Succession Planning
 2. Nomination from Internal Talent Pool
- External/ Independent sources:
 - Sourcing from a directors' registry and open advertisements or the use of independent search firms
 - Head Hunting
 - Referral

2. Procedures for Nomination

- (1) All nominations of candidates including for the positions of GMD/ CEO, Chief Financial Officer or Chief Operating Officer, must be submitted to the NC for consideration.
- (2) Chairman of the NC to recommend to the Board, based on the established "Fit and Proper" standards.
- (3) If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the NC should explain why these source(s) suffice and other sources were not used.
- (4) Board of Directors deliberate on the recommendation and approve the appointment of GMD/ CEO/ Directors, subject to the provisions in the Constitution, Main Market Listing Requirements and Companies Act 2016.

3. Re-election

1. All directors are required to submit themselves for re-election at regular intervals, subject to the provisions in the Constitution, Main Market Listing Requirements, Companies Act 2016 and/or other applicable legislation in Malaysia.

The annual assessment on individual directors should include an evaluation of their:

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**- PROCEDURE FOR THE APPOINTMENT OF DIRECTORS AND KEY SENIOR
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- Will and ability to critically challenge and ask the right questions;
 - Character and integrity in dealing with potential conflict of interest situations;
 - Commitment to serve the company, due diligence and integrity; and
 - Confidence to stand up for a point of view.
4. Negative List
2. Practicing accountant may be appointed as directors provided they are not employed/partners in an accounting firm, which has been engaged to conduct audit or consultancy work at the Company.
 3. Practicing lawyers who are partners in a legal firm, which is on the panel of lawyers of the Company (and not receiving remuneration on a regular basis), may be appointed to the board. The lawyers are required to disclose the relationship with the Company on the onset to avoid potential issues of conflict of interest.
 4. Individuals who are active in politics cannot be appointed as directors in order to avoid the risk of politicians encountering conflicts of interest situations in serving their constituencies. A person is considered to be politically active if he is a Member of Parliament, State Assemblyman, Supreme Council Member of a political party or member who holds a position at divisional level in a political party.
 5. Directors appointed should be able to devote the required time to serve the Board effectively. The Board will consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the Company should be avoided.
5. Disqualification of Directors and GMD/ CEO
1. NC is responsible for assessing on an annual basis, that the directors and Key Senior Management officers are not disqualified under the Companies Act 2016 and other regulations and continue to comply with the "Fit & Proper" standards and recommend to the Board the removal of Director/ Key Senior Management if they are ineffective, errant or negligent in discharging their responsibilities.
6. Others
2. Before any appointment by the Board, the NC shall evaluate the balance of skills, knowledge, experience and diversity in the Board, and the current and future needs and size of the Company.
 3. The NC will review the participation of women in decision-making positions on board positions and members of senior management.

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**- PROCEDURE FOR THE APPOINTMENT OF DIRECTORS AND KEY SENIOR
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4. The board evaluations shall focus on historical assessment of directors' performance and also forward-looking considerations, such as mapping current board competencies against those required, to drive the Company's future strategies. The board evaluation will help determine the upskilling or development needs of individual directors or the board, collectively.

The NC may engage the services of a professional, experienced and independent party to assist on the board evaluation.

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BOARD CHARTER
- SUCCESSION PLANNING POLICY**

1. INTRODUCTION

The primary objective of the Succession policy is to ensure the Group's continuity in leadership for all key positions.

Succession planning is an ongoing process designed to ensure that Group identifies and develops a talent pool of employees through monitoring, training and job rotation for key business leaders leave their position due to retirement, resignation, death or new business opportunities.

2. OBJECTIVES

- a) To ensure Group is prepared with a plan to support operation and service continuity when key positions or key business leader positions become vacant.
- b) To ensure a continued supply of qualified and motivated employees for higher roles and responsibilities are well prepared.
- c) To develop career paths for employees which will facilitate Group's ability to recruit and retain top-performing or highly talented employees.
- d) To develop reliable procedures and ensure that these procedures are applied systematically across the Group.
- e) To establish a process to regularly evaluate talent based on future needs and expectations.
- f) To assess the leadership needs of the Group to ensure the selection of qualified leaders that are diverse and a good fit for the organisation's mission and goals and have the necessary skills.

3. KEY POSITIONS

The key positions referred to in this policy are:

- a) Board members
- b) GMD/CEO
- c) Executive Director ("ED")
- d) Chief Financial Officer ("CFO")
- e) Head of Departments

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4. ROLES AND RESPONSIBILITIES

- a) Both the Board and the GMD/ CEO have pivotal roles to play in succession planning.
- b) The Board is responsible for succession planning for the Board member, GMD/ CEO and ED position. The Board should hire or internally promote the new GMD/ CEO and ED when the position becomes vacant, and ensure that the new GMD/ CEO and ED has the required skills to implement the Group's mission and vision.
- c) The Board should ensure the Group is prepared with an interim solution when the key position becomes vacant unexpectedly.
- d) The GMD/ CEO and ED is responsible for ensuring a succession plan is in place for other key positions in the Group with assistance from the Key Senior Management team.

5. SUCCESSION PLANNING PROCESS

- a) A primary responsibility of the Board is planning for GMD/ CEO and ED succession and overseeing the identification and development of executive talent.
- b) The Board, with the assistance of the NC and working with the GMD/ CEO and Human Resource department, oversees executive officer development and corporate succession plan for the GMD/ CEO.
- c) The Board works with the GMD/ CEO to form the succession plan. The succession plan covers identification of internal candidates, development plans for internal candidates, and appropriate identification of external candidates.
- d) The Board reviews the succession plan annually.
- e) The Board maintains an emergency succession contingency plan should an unforeseen event such as death or disability occurs that prevents the holders of key positions from continuing to serve. The plan identifies the individuals who would act in an emergency and their responsibilities.
- f) The Board may review development and succession planning as it deems necessary.

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6. KEY SUCCESS FACTORS

- a) The support from the Board, GMD/ CEO together with Key Senior Management is crucial in the succession planning process. This will give all employees an understanding on the emphasis of importance of succession planning to the Company.
- b) To establish a clear profile of the key positions, the profile should align with the overall company strategy and positioning in the marketplace, as well as factors such as current economic conditions and industry trends.
- c) The succession plan should be reviewed and updated regularly to ensure that the Company has reassessed its hiring needs and monitored the development progress of the selected candidates.

7. REVIEW OF POLICY

This Policy should be reviewed annually by the Board and amended accordingly to reflect its applicability.

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BOARD CHARTER
- POLICIES AND PROCEDURES TO ASSESS THE SUITABILITY AND INDEPENDENCE
OF EXTERNAL AUDITORS (“ASSESSMENT POLICY AND PROCEDURES”)

- **INTRODUCTION**

The Audit Committee (“AC”) of the Company is assigned to assess, review and supervise the suitability, objectivity and independence of External Auditors to safeguard the quality and reliability of the Audited Financial Statements of the Company.

Pursuant to Section 271 (1) of the Companies Act 2016, the Company shall at each Annual General Meeting appoint or re-appoint the External Auditors of the Company, and the External Auditors appointed shall hold office until the conclusion of the next Annual General Meeting of the Company.

This Assessment Policy and Procedures will assist the AC to assess and review the External Auditors prior to making recommendation to the Board on the appointment and removal of the External Auditors.

- **SELECTION AND APPOINTMENT PROCEDURE**

The AC will follow the following procedures for selection and appointment of External Auditors: -

- a) to identify the audit firms which meet the following criteria for appointment:
 - a) provide a fee quotation which is cost effectiveness for its quality audit services;
 - b) must satisfy the AC and the Board that it is independent from the Company and its ability to maintain independence throughout the engagement;
 - c) there being no conflict of interest situations that could affect the independence of the External Auditors; and
 - d) professional competency and industry experience i.e. the breadth and depth of resources, expertise and experience of the engagement team members.
- b) to assess the proposals received and shortlist the suitable audit firms;
- c) to meet and/or interview the shortlisted audit firms. The AC may seek the assistance of the CFO to carry out items (a) to (c) above; and
- d) to recommend the suitable audit firm to the Board for appointment as External Auditors;

The Board will endorse the recommendation of the AC and seek shareholders’ approval for the appointment of the new External Auditors and/or resignation/removal of the existing External Auditors at the general meeting.

- **ASSESSMENT OF INDEPENDENCE**

The External Auditors are precluded from providing any services that may impair their independence or conflict with their role as External Auditors.

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In avoidance of doubt, the AC shall obtain a written assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

- **NON-AUDIT ENGAGEMENT**

The External Auditors can be engaged to perform non-audit engagement that are not, and are not perceived to be, in conflict with the role of the External Auditors. This excludes audit related work in compliance with statutory requirements.

The three (3) basic principles on the prohibition of non-audit engagement are as follows:

- i) Not to function as Management;
- ii) Not to audit their own work; and
- iii) Not to serve in an advocacy role of the Company and its subsidiaries.

The External Auditors shall observe and comply with the By-Laws of the Malaysian Institute of Accountants (“MIA”) in relation to the provision of non-audit engagement, which include the following: -

- a) Accounting and Book Keeping Services;
- b) Valuation Services;
- c) Taxation Services;
- d) Internal Audit Services;
- e) IT Systems Services;
- f) Litigation Support Services;
- g) Recruitment Services; and
- h) Corporate Finance Services.

The following non-audit services shall not be provided by the Group’s external auditors in pursuant to the By-Laws of the MIA: -

- bookkeeping and other services relating to accounting records and corporate financial statements;
- the design, implementation and operation of financial information systems;
- internal control functions;
- litigation support services;
- recruitment services; and
- valuation of financial instruments

All engagements of the External Auditors to provide non-audit services are subject to the approval by the AC; and with expectation on the Management to obtain confirmation from

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the External Auditors on their independence which shall not be impaired by the provision of non-audit engagement.

The CFO shall report to the AC on an annual basis on any significant non-audit services and its related fees on non-audit rendered to the Company or its subsidiaries by the External Auditors.

- **TERM OF AUDIT ENGAGEMENT PARTNER**

The audit partner responsible for the audit of the Group is subject to rotation at least every five (5) financial years in accordance with By-Laws of the MIA which requires that the engagement partner involved in the external audit should not remain in a key audit role beyond five (5) years and cannot be re-engaged to play a significant role in the audit of the Company for at least another two (2) successive years.

- **ANNUAL AUDIT PLAN**

The External Auditors will issue an annual audit planning memorandum for review and discussion with the AC. The External Auditors will provide a management letter to the AC upon completion of the annual audit.

- **ANNUAL PERFORMANCE ASSESSMENT**

The AC shall carry out annual assessment on the performance of the External Auditors and may request any Executive Directors or CFO to join the assessment to evaluate the suitability and independence of the External Auditors. The AC will consider, among others:-

- a) adequacy of the experience and resources of the firm;
- b) service quality and performance of the persons assigned to the audit;
- c) independence, objectivity and professionalism of the firm and the persons assigned to the audit;
- d) appropriateness of audit fee; and
- e) audit engagements.

The assessment should also consider information presented in the *Annual Transparency Report** of the audit firm. If the audit firm is not required to issue an *Annual Transparency Report*, the AC will engage the audit firm on matters typically covered in an *Annual Transparency Report* including the audit firm's governance and leadership structure as well as measures undertaken by the firm to uphold audit quality and manage risks.

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** Audit firms registered with the Audit Oversight Board with more than 50 public interest entity (PIE) audit clients; and total market capitalisation of the audit firm’s PIE clients above RM10 billion at the end of the calendar year for two consecutive years are required to issue an Annual Transparency Report.*

- **REVIEW OF THE ASSESSMENT POLICY AND PROCEDURES**

The AC will review this Assessment Policy and Procedures periodically to ensure that it continues to remain relevant and appropriate.

**HARRISONS HOLDINGS (MALAYSIA) BERHAD
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BOARD CHARTER
- FIT & PROPER POLICY**

1. INTRODUCTION AND PURPOSE

- 1.1 This Policy set out the fit and proper criteria for the appointment and re-appointment of Directors on the Boards of Harrisons Holdings (Malaysia) Berhad (“Harrisons”) and its subsidiaries.
- 1.2 To ensure that each of the Directors has the character, experience, integrity, competence and time to effectively discharge his/her role as a Director of Harrisons and its subsidiaries.
- 1.3 Serve as a guide to the Nomination Committee (“NC”) and the Board in their review and assessment of candidates that are to be appointed onto the Board as well as Directors who are seeking for election or re-election.

2. CRITERIA

To establish whether a person is fit and proper to be a TWB Board, the NC and the Board shall regards to the person’s:-

- a. Character and Integrity;
- b. Experience and Competence; and
- c. Time and Commitment.

The assessment of the above criteria shall have regard to the considerations set out below in paragraphs 2.1, 2.2 and 2.3 of this Policy.

2.1 Character and Integrity

Probity, personal integrity and reputation are values that are demonstrated over time whilst financial integrity is demonstrated by a person who manages his own financial affairs properly and prudently. These attributes demand a disciplined and on-going commitment to high ethical standard.

In assessing a person’s character and level of integrity, the NC should consider matters including but not limited to the following:-

- (i) Probity
 - is compliant with legal obligations, regulatory requirements and professional standards
 - has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court

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- (ii) Personal integrity
- has not perpetrated or participated in any business practices which are deceitful, oppressive, improper (whether unlawful or not), or which otherwise reflect discredit on his professional conduct.
 - service contract (i.e. in the capacity of management or Director) had not been terminated in the past due to concerns on personal integrity
 - has not abused other positions (i.e. political appointment) to facilitate government relations for the company in a manner that contravenes the principles of good governance
- (iii) Financial integrity
- manages personal debts or financial affairs satisfactorily
 - demonstrates ability to fulfil personal financial obligations as and when they fall due.
- (iv) Reputation
- is of good repute in the financial and business community
 - has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past five (5) years
 - has not been substantially involved in the management of a business or company which has failed, where that failure has been occasioned in part by deficiencies in that management

2.2 Experience and Competence

Competence and capability are demonstrated by a person who possesses the relevant competence, experience and ability and ability to understand the technical requirements of the business, the inherent risks and the management process required to perform his role as a key responsible person in the relevant capacity effectively.

In assessing a person's competence and capability, the NC should consider matters including, but not limited to the following:

- (i) Qualifications, training and skills
- possesses education qualification that is relevant to the skill set that the Director is earmarked to bring to bear onto the boardroom
 - has a considerable understanding on the business and workings of a corporation
 - possesses general management skills as well as understanding of corporate governance and sustainability issues

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- keeps knowledge current based on continuous professional development
 - possesses leadership capabilities and a high level of emotional intelligence
- (ii) Relevant experience and expertise
- possesses relevant experience and expertise with due consideration given to past length of service, nature and size of business, responsibilities held and commitment to effectively fulfil the roles and responsibilities.
- (iii) Relevant past performance or track record
- possesses commendable past performance record or expertise in a business of a similar nature

2.3 Time and commitment

In assessing a person's time and commitment, the NC should consider matters including, but not limited to the following:

- (i) Ability to discharge role having regard to other commitments
- able to devote time as a board member, having factored other outside obligations including concurrent board positions held by the Director across listed issuers and non-listed entities (including not-for-profit organisations)
- (ii) Participation and contribution in the board or track record
- demonstrates willingness to participate actively in board activities
 - demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom
 - manifests passion in the vocation of a Director
 - exhibits ability to articulate views independently, objectively and constructively
 - exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others
- (iv) Number of Directorships
- Shall not hold more than five (5) directorships in listed companies

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3. THE ASSESSMENT

- 3.1 The NC will assess each person for a new appointment or re-appointment of Directors based on the criteria set under item 2 before recommending to the Board for approval.
- 3.2 The fit and proper assessments must be supported by relevant information in relation to a director. Where significant reliance is placed on information that is obtained from the person being assessed, and that information is material to the determination of the person's fitness and propriety, the NC is expected to take reasonable steps within permissible written laws to verify the information against independent sources.
- 3.3 The documentation of fit and proper assessments for each director are part of the Company's internal documents and shall not be disclosed or provided to any other party.
- 3.4 Where the NC has assessed that a person:
 - (i) is not fit and proper for a position, the board shall not appoint the person to the said position; and
 - (ii) is no longer fit and proper for a position, the board shall take reasonable steps to remove the person from such position as soon as practicable and in the interim, institute necessary measures to mitigate risks associated with the person continuing to hold the position.

4. REVIEW OF THE POLICY

- 4.1 The NC shall recommend any change to the Policy as the NC deems appropriate to the Board for approval. The terms of the Policy shall be assessed, reviewed and updated where necessary i.e. when there are changes to the Malaysian Code on Corporate Governance, Listing Requirements of Bursa Malaysia Securities Berhad or any other regulatory requirement.