

K. SENG SENG CORPORATION BERHAD
(Registration No. 198501000983 (133427 W))
(Incorporated in Malaysia)

BOARD CHARTER

1. INTRODUCTION

The Board of Directors (“Board”) of **K. SENG SENG CORPORATION BERHAD (“KSSC” or the “Company”)** regards corporate governance as important to the success of KSSC’s business and are unreservedly committed to applying the principles necessary to ensure that the following principles of good governance are practised in all of its business dealings in respect of its shareholders and relevant stakeholders:

- The Board is the focal point of the Company’s corporate governance system. It is ultimately accountable and responsible for the performance and affairs of the Company;
- All Board members are expected to act in a professional manner, thereby upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities;
- All Board members are responsible to the Company for achieving a high level of good governance towards transparency, accountability, and integrity in boardroom activities; and
- This Board Charter shall continue to form an integral part of each Director’s duties and responsibilities.

This Board Charter is not an ultimate document and should be read as an expression of principle for optimising corporate performance and accountability.

This Board Charter is developed in line with the following:

- relevant provisions of the Companies Act 2016, insofar as the duties and responsibilities of Directors are concerned;
- relevant aspects of the Constitution of the Company;
- Bursa Malaysia Securities Berhad’s Main Market Listing Requirements (“Listing Requirements”);
- Principles and Practices of the Malaysian Code of Corporate Governance 2021 (“MCCG”);
- Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries issued by the Securities Commission of Malaysia (“SC Guidelines”); and
- other applicable laws, regulations, codes, and guidelines.

2. REVIEW AND UPDATE

This Board Charter is approved by the Board of KSSC on 5 May 2021. The Board will periodically review and amend (if required) this Board Charter to ensure it reflects the Board’s needs and is consistent with the Board’s latest objectives and governance expectations.

This Board Charter may be amended and modified from time to time in line with any changes in relevant legislation, codes or regulations (in so far as they are applicable to this Board Charter and are mandatory), and all such amendments and modifications shall be deemed incorporated without the requirement for further approvals from the

Committee and the Board. The Committee and the Board shall thereafter be duly informed of such amendments and modifications.

3. OBJECTIVES

The objectives of this Board Charter are to ensure that all Board members are aware of their duties and responsibilities as Board members and the various legislations and regulations relevant to them being directors of the Company, and that the principles and practices of good corporate governance are applied in all their dealings in respect and on behalf of the Company.

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

This Board Charter shall be publicly available on the Company’s corporate website.

4. INTERPRETATION

4.1. “Director” means a director of the Company in accordance with the Companies Act 2016.

4.2. “KSSC Group” or the **“Group”** refers to KSSC and its group of subsidiaries.

4.3. Executive Director

An Executive Director is a Director who is also employed full-time to run the Company’s business and is involved in its management activities. They are therefore not independent.

4.4. Non-Executive Director

A Non-Executive Director is a Director of the Company but is not employed by the Company. A Non-Executive Director is not involved in the day-to-day running of the business or the management of the business generally. A Non-Executive Director may be an Independent Director or a Non-Independent Non-Executive Director.

4.5. Independent Director

An Independent Director is one who does not have a relationship with the Company, its related Companies or its officers, that could interfere, or be reasonably perceived to interfere, with the exercise of the Director’s independent business judgment.

“Independent Director” is defined in accordance with Paragraph 1.01 and Practice Note 13 of the Listing Requirements.

4.6. Senior Management

Senior Management of the KSSC Group refers to the C-suite personnel and directors of KSSC subsidiaries.

4.7. Key Officers

Key Officers include the chief executive (if not a Director) and the chief financial officer of KSSC. Key Officers are also considered Senior Management of the Group.

5. THE BOARD

5.1. The Board's Roles and Responsibilities

- 5.1.1. The Board is in charge of leading and managing the Company and its business and affairs in an effective and responsible manner. The Company's business and affairs include its investments in the KSSC Group.
- 5.1.2. Each Director has a legal duty to act in good faith and in the best interest of the Company.
- 5.1.3. The Directors, collectively and individually, are aware of their responsibilities to shareholders and stakeholders in relation to the management of the Company's affairs.
- 5.1.4. The principal responsibilities of the Board are as follows:
 - (a) to establish the corporate vision and mission, as well as the philosophy of the Group;
 - (b) to promote, together with Senior Management, good corporate culture within the Group which reinforces ethical, prudent, and professional behaviour;
 - (c) to review and adopt a strategic plan, which shall support long-term value creation and include strategies on economic, environmental, and social considerations underpinning sustainability;
 - (d) to review, challenge, and decide on Management's proposal for the Company, and monitor its implementation by the Management;
 - (e) to oversee and assess the conduct of the business, management performance, and whether the business is being properly managed. This includes overseeing and assessing the performance of the Company's investments and subsidiaries, where subsidiaries and their directors are expected to provide the Company and its Board with any information requested;
 - (f) to ensure there is a sound group-wide framework for risk management and internal controls, including ensuring there is a process to identify, assess, and manage risks and reviewing the adequacy and integrity of the Group's internal controls system;
 - (g) to understand the principal risks of the Company's business and to set the risk appetite within which the Board expects Management to operate;
 - (h) to ensure there is an effective group-wide framework on the corporate governance of the Group, including a code of conduct

- and ethics, policies and procedures on anti-corruption, whistleblowing, managing conflict of interest, managing material sustainability risks, and board diversity including gender diversity;
- (i) to keep pace with aspects of governance that encourage enhancement of effectiveness of the Board and management of the Group;
 - (j) to ensure the necessary skills, experience, and competence is present at the Board and Senior Management to effectively lead the operations of the Group. This includes having succession planning, including appointing, training, assessing, fixing the compensation of, and where appropriate, replacing Directors and Key Officers;
 - (k) to ensure that the Group has in place the necessary policies and procedures to enable effective, transparent, and regular communication with stakeholders;
 - (l) to ensure the integrity of the Group's financial and non-financial reporting; and
 - (m) to ensure there is an adequate group-wide framework for cooperation 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 including material sustainability risks, and corporate governance policies and practices.

5.1.5. The schedule of matters reserved for the Board's decision is as follows:

- (a) appointment of Directors to fill casual vacancies;
- (b) recommendation for the re-election and re-appointment of Directors for shareholders' approval at General Meetings;
- (c) appointment of Key Officers and nominee directors representing KSSC at subsidiary boards;
- (d) appointment and removal of Company Secretary(ies);
- (e) establishment of Board Committee(s) and specific terms of reference and appointment of Directors to Board Committee(s);
- (f) recommendation of fees of Directors and any benefits payable to Directors for approval at the general meeting;
- (g) approval of individual remuneration package for Executive Directors, including salary and bonuses but apart from elements requiring shareholders' approval;
- (h) review and approval of the Company's strategic plan and annual budget;
- (i) approval of significant commitment, investment or divestiture in a company, business, property, or undertaking by the Company or its subsidiaries;

- (j) approval of major changes to the principal activities of the Company or its subsidiaries;
- (k) approval of the Group's treasury policies and the Company's bank mandates;
- (l) approval of limits of authority for the Group and group-wide policies;
- (m) approval of financial statements and their release or submission to authorities;
- (n) approval of Company annual report as required by the Listing Requirements;
- (o) approval of interim dividends for payment and the recommendation of final dividend or other distribution for shareholders' approval;
- (p) adoption of accounting policies in line with the Malaysian Financial Reporting Standards and other applicable standards across the Group;
- (q) review the effectiveness of the Group's system of risk management and internal controls via the relevant Board Committee(s);
- (r) granting of power of attorney by the Company and its subsidiaries;
- (s) recommendation for changes in the Company's Constitution;
- (t) change in financial year-end;
- (u) recommendation for purchase of own shares by the Company; and
- (v) recommendation for issuance of debt instruments by the Company and its subsidiaries.

In relation to Subparagraphs 5.1.5(a) and 5.1.5(b) above, the Board shall only recommend the appointment, re-appointment, election, and re-election of Directors based on satisfactory evaluation of the Director's performance and contribution to the Board.

5.2. Board Structure, Composition, and Balance

- 5.2.1. The Regulations governing the management of KSSC are found in the Company's Constitution which stipulates among others: the appointment and number of Directors; the election of a Chairman of the Board who will preside at all Board meetings; the appointment of Group Managing Director and rotation of Directors, etc.
- 5.2.2. Although the Board is made up of a variety of Directors with different roles and responsibilities, there is no distinction in their accountabilities to the Company on the basis of Companies Act 2016.
- 5.2.3. The Board shall have the size and composition which enables effective deliberation and the provision of stewardship to the Company. The Board is the Company's decision-making body. It is therefore imperative that the Board should be sized in a manner most effective to facilitate decision-making and deliberation.

- 5.2.4. The Board shall ensure its composition considers the following elements:
- (a) independence;
 - (b) diversity in terms of mix of skills, experience, age, cultural background, and gender. The Board shall have a diversity of gender in its composition and have at least 1 female member (by 1 June 2023);
 - (c) business acumen;
 - (d) the requisite knowledge, skillsets and experience; and
 - (e) the qualities of directors in terms of a Director's character, experience, competency, integrity, and time commitment to discharge their role as a Director.
- 5.2.5. In order to ensure the Directors possess the relevant skills and knowledge required to meet the current needs of the Board, all Directors shall ensure they undergo ongoing training to:
- (a) develop and maintain the skills required for the effective functioning of the Board; and
 - (b) kept abreast of relevant development, knowledge, and updates on issues relevant to the Company's business, industry, and the Board's functions, including sustainability issues, risks, and opportunities (such as climate change).
- 5.2.6. The Board shall ensure all directors of KSSC Group satisfy the KSSC Group's Fit and Proper Policy which shall serve a basis for the appointment, re-appointment, election, and re-election of KSSC Group directors.
- 5.2.7. **Independence at the Board**
- 5.2.7.1. A strong and independent element on the Board should be present for the exercise of independent objective judgment. No individual or small group of individuals should be allowed to dominate the Board's decision-making process.
- 5.2.7.2. The Company shall aim to have at least half of the Board comprising Independent Directors, but at a minimum, 1/3 or a number nearest to 1/3 in accordance with the Listing Requirements.
- 5.2.7.3. The tenure of an Independent Director shall not exceed a cumulative term limit of nine years.
- If the Board intends to retain an Independent Director beyond nine years, it should justify and seek annual shareholders' approval through a two-tier voting process in accordance with **Practice 5.3** of the MCCG.
- Without shareholders' approval, an Independent Director may continue to serve on the Board as a Non-Independent Director upon the completion of nine years.

5.3. Responsibilities of Directors, Chief Executive Officer, and the Company Secretary(ies)

5.3.1. Directors

*Consistent with the SC Guidelines, in relation to **Paragraphs 5.3.1** of this Board Charter, Directors include the directors, the chief executive, chief financial officer, and any other person primarily responsible for the operations or financial management of KSSC, by whatever name called.*

5.3.1.1. A Director shall exercise his/her powers for a proper purpose and in good faith in the best interest of the company in which he/she sits as a director.

5.3.1.2. In directing or managing the business and affairs of the company he/she sits in, a Director shall exercise reasonable care, skill, and diligence by:

- (a) applying the knowledge, skill, and experience which may reasonably be expected of a director having the same responsibilities; and
- (b) applying any additional knowledge, skill, and experience which he/she has.

5.3.1.3. All Directors of the Company shall act and carry out his/her duties and responsibilities in line with the **Code of Ethics and Conduct for Directors** of the Group and applicable laws and regulations (including, amongst others, the Companies Act 2016, Capital Markets and Services Act 2007, and the Listing Requirements).

5.3.2. Non-Executive Directors – including Independent Non-Executive Directors and Non-Independent Non-Executive Directors

The roles of the Non-Executive Directors largely encompass the monitoring of the Group's performance and contributing to the development of the Company strategy, as follows:

- (a) strategy: constructively challenge and contribute to the development of Company strategy; and
- (b) performance: oversee the performance of Management in meeting the agreed and Board-approved goals and objectives and monitoring the reporting of performance.

5.3.3. Executive Directors

5.3.3.1. Executive Directors are responsible for the effective implementation of the Company strategic plans as approved by the Board.

5.3.3.2. Executive Directors serve as a conduit between the Management and the Board.

5.3.4. Board Chairman

5.3.4.1. The Board shall appoint a Board Chairman from amongst its members. The Board shall strive to have a Board Chairman who is not the Group Managing Director, the Audit Committee Chairman, or the Senior Independent Director of the Company.

5.3.4.2. The Board Chairman shall be responsible for instilling good corporate governance practices, leadership, and effectiveness of the Board.

5.3.4.3. The roles and responsibilities of the Board Chairman include the following:

- (a) to preside at Board and general meetings and to ensure compliance of the proceedings thereof;
- (b) to provide leadership to the Board for the effective performance of its responsibilities;
- (c) to set the Board agenda, in conjunction with the Company Secretary(ies), and to ensure that all Board members receive complete and accurate information in a timely manner;
- (d) to lead Board meetings and discussions;
- (e) to manage Boardroom dynamics by ensuring that no Board member dominates discussions, encouraging active participation at Board meetings, and allowing dissenting views to be freely expressed and considered;
- (f) to manage Board conflicts and disagreement;
- (g) to manage the interface between the Board and the Management;
- (h) to act as a spokesperson for the Board and ensure appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board; and
- (i) to lead the Board in establishing and monitoring good corporate governance practices in the Company.

5.3.4.4. The Board Chairman could be a member of the Audit and Risk Management Committee, Nomination Committee, or the Remuneration Committee with the departure from MCCG recommendation (if required).

5.3.5. Senior Independent Director

5.3.5.1. The Board shall strive to identify amongst its Independent Directors a Senior Independent Director.

5.3.5.2. The roles and responsibilities of the Senior Independent Directors are as follows:

- (a) to act as a sounding board for the Board Chairman, serving as a contact for consultation and direct

communication on areas that cannot be resolved through normal channels of contact with the Board Chairman and the Group Managing Director;

- (b) to serve as a principal conduit between the Directors and the Board Chairman, especially on sensitive issues; and
- (c) to act as a point of contact for shareholders and other stakeholders.

5.3.6. Group Managing Director

5.3.6.1. The Group Managing Director is responsible for the day-to-day management of the Company and leading the Executive Director and Senior Management in carrying out their responsibilities in relation to the implementation of the Company strategic plans as approved by the Board. The Group Managing Director is responsible in the delegation of job, roles, and responsibilities to the Executive Directors and Senior Management personnel in mandated tasks and special projects, as and when the need arises. The Group Managing Director is also responsible and assume authority in overseeing directors of the Group's subsidiaries and to task the individual directors with specific performance target. The Group Managing Director shall be the final decision-making authority on all day-to-day operations.

5.3.6.2. The Group Managing Director is responsible for providing leadership to the Management. The Board holds the Group Managing Director accountable for the performance of the Executive Directors and Senior Management's, as well as the performance of the subsidiaries within the Group. The Group Managing Director shall have the ultimate authority on all recruitment and termination matters apart from those reserved for the Board, and in the event of need, to veto decision made by the lower Management.

5.3.6.3. Besides the above, the roles and responsibilities of the Group Managing Director include the following:

- (a) to lead the Group in meeting the Company's corporate vision and mission, as well as its philosophy;
- (b) to maintain conducive workplace environment which demonstrates the organisation culture and values and to protect the Group's reputation in its markets;
- (c) to prepare and recommend strategic plans, and to review strategic plans from the Executive Directors and subsidiary directors before recommending them for the Board's review and approval;
- (d) to prepare and propose significant transactions or plans, including acquisitions or investments, to the Board for review and approval, and to implement the approved transactions or plans as approved by the Board;

- (e) to implement strategic plans of the Group as approved by the Board or other plans or initiatives as decided by the Board or the Board Committees;
- (f) to execute the approved budget and capital expenditure prudently according to the approved authority limits;
- (g) to ensure the proper management (including operational planning) of the Group's business and to be accountable for the Group's operational and non-financial and financial performance;
- (h) to establish and maintain a sound framework for risk management and internal controls for the Group and, together with the Chief Financial Officer or its equivalent, to provide assurance to the Board on the effectiveness and integrity of the risk management and internal control systems of the Group;
- (i) to ensure the establishment and maintenance of an organisational structure which considers effective management of the Group's businesses and succession planning;
- (j) to promote communications internally and externally with stakeholders of the Group;
- (k) to oversee the carrying out of the Company's corporate social responsibilities through appropriate engagements or programs for shareholders, staff, customers, suppliers, partners and regulatory/official bodies;
- (l) to assist the Chairman in drawing up the agenda for Board meetings by providing input in relation to important strategic issues faced by the Group; and
- (m) to highlight and update the Chairman on complex or sensitive issues which may affect the Group and to maintain regular dialogue with the Board Chairman.

5.3.7. Chief Executive Officer

- 5.3.7.1. Assists the Group Managing Director in ensuring adequate and effective policies and procedures, including internal controls, are in place to support the Group's business, including business strategy and day-to-day operations. This includes assisting the Group Managing Director in establishing and maintaining a sound framework for risk management and internal controls for the Group.
- 5.3.7.2. Assists the Group Managing Director in the development and implementation of business strategy. This includes looking into business opportunities in other sectors.
- 5.3.7.3. Oversees the effective functioning and maintenance of the organisation structure, considering how the structure supports

the short- and long-term needs of the Group including succession planning of Senior Management.

- 5.3.7.4. Oversees the support functions of the Group (including but not limited to the Human Resources, IT, Administration, and Legal and Compliance functions).
- 5.3.7.5. Oversees the carrying out of internal and external communication with stakeholders of the Group.
- 5.3.7.6. Acts as a spokesperson for the Group.
- 5.3.7.7. Assists the Group Managing Director in carrying out and delivering the Group's corporate social responsibilities.

5.3.8. Company Secretary(ies)

5.3.8.1. The appointment of Company Secretary(ies) is the responsibility of the Board. The removal of Company Secretary(ies) shall also be a matter of the Board's decision.

5.3.8.2. Company Secretary(ies) shall be suitably qualified and competent to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices, at minimum, in accordance with the Companies Act 2016 and the Listing Requirements.

5.3.8.3. Board members shall have unrestricted access to the professional advice and services of the Company Secretary(ies).

5.3.8.4. The roles and responsibilities of the Company Secretary(ies) include the following:

(a) to manage all Board and Board Committee meetings' logistics, to attend and record minutes for all Board and Board Committee meetings, and to facilitate Board communications, including:

- ensuring timely dissemination of notice of meeting and agenda, including meeting papers and relevant information pertaining to matters scheduled for deliberation;
- ensuring Board and Board Committee procedures and rules are observed;
- ensuring proper and accurate comprehensive minutes documenting the meeting deliberations, considerations, and conclusions, including dissenting views and the person who raised them; and
- meeting minutes are circulated in a timely manner.

(b) to advise the Board and Board Committees on their roles and responsibilities and relevant compliance matters pertaining to applicable laws and regulations, including

- the Companies Act 2016, Listing Requirements, and the MCGG;
- (c) to ensure Board proceedings, processes, and procedures comply with the laws and regulations and policies and procedures adopted by the Board;
 - (d) to facilitate the orientation of new Directors and to assist the facilitation of relevant training and development of Directors;
 - (e) to advise the Board on matters pertaining to corporate disclosures and compliance with applicable company and securities regulations and the Listing Requirements, including, but not limited to:
 - disclosure of interest in securities;
 - disclosure of any conflict of interest situations or related party transactions;
 - prohibition on dealing in securities;
 - restriction on disclosure of price-sensitive information; and
 - quarterly, annual, and immediate announcements required by the Listing Requirements.
 - (f) to manage processes pertaining to general meetings;
 - (g) to monitor corporate governance developments, to update the Board, and to assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations; and
 - (h) to serve as a focal point for stakeholders' communication and engagement on corporate governance issues.

5.4. Board Committees

- 5.4.1. To assist the Board in discharging its duties and responsibilities, the Board has established the following Board Committees, each of which has its own terms of reference, as approved by the Board, to deal with its authority and duties.
- 5.4.2. The Board Committees established by the Board are as follows:
 - 5.4.2.1. **Audit and Risk Management Committee** – assists the Board on matters pertaining to audit activities, liaising with external auditors in relation to financial reporting and internal auditors in relation to assurance over the effectiveness and integrity of the Group's internal control and risk management systems, related party transactions and conflict of interest situations, and risk management activities of the Group;
 - 5.4.2.2. **Nomination Committee** – assists the Board on matters pertaining to the selection, appointment, and assessment and development of Directors and Senior Management; and

5.4.2.3. **Remuneration Committee** – assists the Board on matters pertaining to the remuneration of Directors and Senior Management.

5.4.3. The Board may establish additional Board Committees to assist in its discharging of duties and responsibilities as deemed necessary.

6. DIRECTORS' CONFLICT OF INTEREST AND EXTERNAL COMMITMENTS

*Consistent with the SC Guidelines, in relation to **Paragraphs 6** of this Board Charter, Directors include the directors, the chief executive, chief financial officer, and any other person primarily responsible for the operations or financial management of KSSC, by whatever name called.*

6.1. Conflict of Interest

- 6.1.1. A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract or arrangement with the Group shall, as soon as practicable after the relevant facts have come to the Director's knowledge, declare the interest to the Board. A Director shall also disclose to the Board any other actual, potential, or perceived conflict of interest situations, arrangements, or transactions, including, but not limited to, related party transactions and conflict of interest with the Group involving a person or corporation related to the Director. The declaration of interest shall, at a minimum, be in line with the Companies Act 2016, the Listing Requirements, and applicable laws and regulations.
- 6.1.2. The Director shall not vote regarding any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest. Such abstention shall be, at minimum, in line with the Companies Act 2016, the Listing Requirements, and applicable laws and regulations.
- 6.1.3. Generally, declaration of conflict of interest shall be disclosed to the Board, stating the fact, nature, character, and extent of the interest.
- 6.1.4. The Audit and Risk Management Committee shall review all conflict of interest situations declared.
- 6.1.5. Any conflicted Director shall abstain from deliberation and voting on the conflicted contract, proposed contract, or arrangement and they are encouraged to excuse themselves from the meetings during the relevant deliberation and voting.
- 6.1.6. All declarations of conflict of interest situations are to be documented in minutes, including:
- (a) the fact, nature, character, and extent of the interest;
 - (b) the conflicted Director;
 - (c) whether the conflicted Director abstained from deliberation and voting; and
 - (d) whether the conflicted Director excused themselves from the meeting.

- 6.1.7. At all times, especially where a conflict of interest situation is present, a Director shall exercise its powers for a proper purpose and in good faith in the best interest of the company.
- 6.1.8. A Director appointed by virtue of his/her position as representative of a shareholder must act in the best interest of the company in which he/she sits as a director. In the event of any conflict between his/her duty to act in the best interest of the company and his duty to his/her nominator, he/she must not subordinate his duty to act in the best interest of the company to his/her nominator.
- 6.2. Directors shall not hold more than 5 directorships in listed issuers. Prior to accepting any new directorship, Directors shall notify the Board Chairman, including an indication of time that will be spent on the new commitment.
- 6.3. All Directors shall devote sufficient time to carry out their responsibilities, on top of attending meetings of the Board and Board Committees.

7. APPOINTMENT, TRAINING, PERFORMANCE, AND REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

7.1. Appointment and Training of Directors and Senior Management

- 7.1.1. The appointment of a Director and Key Officers is a matter for consideration and/or decision by the Board.
- 7.1.2. Directors and Key Officers shall have the character, experience, integrity, competence, and time commitment to discharge their roles and responsibilities. Nomination of Director and Key Officers Senior Management shall consider the overall diversity of the corporate governance of the Group, with due regard for diversity in skills, experience, age, cultural background and gender.
- 7.1.3. The appointment of any Executive Director or Managing Director of KSSC shall be for a fixed term not exceeding three years at any one time with power to re-appoint, remove or dismiss thereafter.
- 7.1.4. Procedures pertaining to the nomination and selection of Directors and Senior Management personnel are stipulated in the **Terms of Reference of the Nomination Committee**.
- 7.1.5. All newly appointed Directors shall undergo induction programmes adopted by the Board to enable them to familiarise themselves with the business and the workings of the Company.
- 7.1.6. In addition to the Mandatory Accredited Programme (“MAP”) as required by Bursa, Directors are required to undergo continuous education and training programmes, such as courses or seminars, at periodic intervals to keep themselves updated on developments relevant to the Directors in discharging their duties and responsibilities, including corporate governance matters and technical matters.
- 7.1.7. Training attended by Directors for the financial year under review shall be disclosed in the Annual Report. In special circumstances, valid justifications for not attending any training by a Director for the financial year under review shall also be disclosed.

7.2. Assessment of Directors and Senior Management

- 7.2.1. Formal and objective annual assessments shall be undertaken to determine the effectiveness and performance of the Board, Board Committees, individual Directors, and Senior Management. The Nomination Committee shall assist the Board in carrying out such assessment.
- 7.2.2. Procedures pertaining to the assessment of Directors and Senior Management personnel are stipulated in the **Terms of Reference of the Nomination Committee**.
- 7.2.3. The Board retains the authority to approve the outcome of the annual assessments and continuing education programmes for Directors.
- 7.2.4. The Board shall disclose a summary of the annual assessment of the Board, Board Committees, and individual Directors, including the outcome, actions taken, and how it has or will influence Board composition.

7.3. Remuneration of Directors and Senior Management

- 7.3.1. The Board has established the following key principles for the remuneration policies and procedures for to determine the remuneration of Directors and Senior Management, as follows:
 - 7.3.1.1. Remuneration shall be aligned with the Company's short- and long-term objectives to attract, motivate, and retain the necessary skills, experience, and talents and shall consider succession planning for the Group;
 - 7.3.1.2. Remuneration shall be commensurate with the contribution of the Director or Senior Management. Remuneration for Executive Directors and Senior Management shall be determined against, amongst others, management performance measures and targets; and
 - 7.3.1.3. Directors shall abstain from deliberation and voting on their own remuneration and they are encouraged to excuse themselves from the meetings during the relevant deliberation and voting.
- 7.3.2. **Annual shareholder approval for Directors' fees and benefit**
 - 7.3.2.1. The fees of Directors, and any benefits payable to Directors shall be subject to annual shareholder approval at a general meeting.
- 7.3.3. Policies and procedures pertaining to remuneration of Directors and Senior Management are stipulated in the **Terms of Reference of Remuneration Committee**.

8. RELATIONSHIP WITH SHAREHOLDERS AND OTHER STAKEHOLDERS

8.1. Corporate Disclosures

- 8.1.1. The Board shall ensure policies and procedures on corporate disclosures and communications are in place to ensure timely and accurate disclosure of information in compliance with the Listing Requirements and to facilitate effective stakeholder communication. The KSSC Group's **Corporate Disclosure Policies and Procedures** has been established for this purpose.

8.2. Investor Relations

The Board acknowledges the need for shareholders and investors to be informed of all material business matters affecting the Company and, as such, the Board adopts an open and transparent communication policies in respect of its relationship with its shareholders and investors, as follows:

- 8.2.1. The Board ensures the timely release of quarterly and annual financial results with an overview of the Company and the Group's performance and operations;
- 8.2.2. A press interview may be held on ad hoc basis whereby the Group Managing Director will give a press release presenting the Company and the Group's results and prospect and outlining any specific event for notation;
- 8.2.3. The Company shall ensure its corporate website is continuously updated to provide easy access to corporate information pertaining to the Group and its activities; and
- 8.2.4. The Board ensures shareholders have the information they require to make an informed decision on the appointment and re-appointment of a Director, including any interest, position, or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole.

In this regard, the Board shall provide a statement as to whether it supports the appointment or reappointment of the Director/ candidate and the reasons.

8.3. Relationship with Other Stakeholders

- 8.3.1. In pursuing the vision and mission of the Company, the Board recognises that no company can sustain by maximising shareholder value alone. In this regard, the needs and interests of other stakeholders shall also be taken into consideration.
- 8.3.2. The Board shall ensure that the Company integrates responsible and ethical business practices in the Group's business operations to ensure the long-term sustainability of the business.
- 8.3.3. To pursue the demonstration and carrying out of the Company's corporate responsibilities, the Board adopts the following:

- (a) The Company will strive towards enhancing and creating a good return to safeguard shareholders' investments;
- (b) The Company will strive towards developing and providing products and services which offer value in terms of price and quality and have minimal social and environmental impacts;
- (c) The Company acknowledges that employees are invaluable assets and play a vital role in achieving the vision and mission of the Company;
- (d) The Company adopts comprehensive, documented policies and procedures with respect to the following:
 - occupational safety and health standards – with the objective of providing a safe, conducive, and healthy working environment for all employees; and
 - industrial relations standard – with the objectives of managing employees' welfare and wellbeing in the workplace.
- (e) The Company acknowledges the need to safeguard and minimise the impact on the environment in pursuing the Company's vision and mission;
- (f) The Company adopts comprehensive, documented policies and procedures as part of its commitment to protect the environment and to contribute towards sustainable development;
- (g) The Company supports initiatives on the protection and preservation of the environment; and
- (h) The Company supports initiatives contributing towards the welfare of the community in which it operates and charitable causes and initiatives on community development projects.

8.3.4. The Board shall ensure that the Company sustainability strategies, priorities and targets, and performance are communicated to the stakeholders, as relevant.

9. BOARD PROCEDURES

9.1. Access to Information and Independent Professional Advice

- 9.1.1. All Directors shall have unrestricted access to Management and to information pertaining to the Group relevant to the discharge of their duties and responsibilities.
- 9.1.2. Subject to the Board's approval, Directors are entitled to obtain independent professional advice at the cost of the Company in discharging their duties, where necessary.

9.2. Board Meetings and Circular Resolutions

- 9.2.1. The Board shall meet at least once every quarter. The schedule for the Board meetings for the year shall be prepared by the Company Secretary(ies) and distributed to Directors in advance.

9.2.2. Board Agenda and Meeting Papers

9.2.2.1. The meeting agenda shall be set by the Board Chairman, assisted by the Group Managing Director and in conjunction with the Company Secretary(ies).

9.2.2.2. To allow sufficient, quality information for Directors to consider the relevant information, the Board Chairman may determine the information required to be submitted as Board meeting papers.

Generally, the Board meeting papers include, but are not limited to, the following:

- (a) quarterly financial report of the Company and the Group;
- (b) draft minutes of previous Board meeting for confirmation;
- (c) minutes of meetings of all Board Committees;
- (d) a current review of the operations of the Company;
- (e) reports on recurrent related party transactions and any related party transactions arising;
- (f) Directors' and Substantial Shareholders' share-dealings; and
- (g) annual budget and its progress.

9.2.2.3. The Management is responsible for providing all Directors with required information to enable effective Board deliberation. Directors may make further enquiries or request for further information where necessary.

9.2.2.4. To allow sufficient time for Directors to consider the relevant information, Board meeting agenda and meeting papers are to be circulated at least seven (7) days, or a shorter period where unavoidable, prior to the meeting.

9.2.3. The quorum necessary for the transaction of business of a Board meeting shall be three (3).

9.2.4. The Board Chairman shall preside at all meetings. In the absence of the Board Chairman, a chairman of the meeting shall be appointed from amongst the Directors present.

9.2.5. All Directors are required to attend Board meetings. Attendance is not restricted to physical presence.

9.2.6. Management personnel who are not Directors may be invited to attend and speak at meetings on matters relating to their sphere of responsibilities. The Board may also invite external parties, such as auditors, solicitors, and consultants, as and when the need arises.

9.2.7. Board resolutions shall be adopted by a majority of votes of all Directors present. The chairman shall have a casting vote in case of an equality of votes.

9.2.8. Board deliberations and resolutions shall be documented in minutes. The draft minutes shall be tabled at the following meeting for the Board's confirmation and signed by the Board Chairman. Board meeting minutes

shall be kept by the Company Secretary(ies) and available for inspection by any Director during office hours.

9.2.9. Circular Resolutions

9.2.9.1. In the event circular resolution is required to obtain Board's approval for matters arising between Board meetings, the circular resolution shall be supported by relevant papers setting out details of the subject matters, including sufficient and quality information.

9.2.9.2. Directors may request for more information from Management before arriving at a decision on the subject matter.

9.2.9.3. All circular resolutions shall be tabled for confirmation at the following Board meeting.

9.3. General Meetings (including Annual General Meetings, "AGM", and Extraordinary General Meetings, "EGM")

9.3.1. All Directors are to attend General Meetings. The Chairmen of the Board Committees are to provide meaningful response to questions addressed to them during General Meetings.

9.3.2. The Board shall ensure that General Meetings facilitates effective communication and meaningful engagement between the Board, Senior Management, and shareholders. The Board shall provide timely and relevant information to shareholders and encourage active participation by shareholders at General Meetings, including taking the following measures:

- (a) ensure notice for Annual General Meetings to be given to shareholders at least 28 days prior to the meeting;
- (b) ensure each item of special business included in the notice of meeting is accompanied by a full explanation of the effects of the proposed resolution;
- (c) consider the use of technology to facilitate shareholders' participation, including voting in absentia and remote/online attendance, while appropriately managing cybersecurity risks and practicing good cyber hygiene;
- (d) ensuring general meetings are interactive and include robust discussion on amongst others the Company's financial and non-financial performance as well as long-term strategies;
- (e) ensuring shareholders have sufficient opportunity to pose questions and receive meaning;
- (f) in the case of any online general meeting (whether fully online/virtual or hybrid), the Board shall ensure such online general meeting enables shareholders to interact at a similar level as if they are attending a physical general meeting;

- (g) the chairman of the General Meeting shall provide reasonable time for discussion at the meeting;
- (h) the chairman of the General Meeting will provide a written answer to any significant question that cannot be readily answered at the General Meeting; and
- (i) ensure the minutes of the general meeting, detailing the meeting procedures including issues or concerns raised by shareholders and responses by the Company, are circulated to shareholders no later than 30 business days after the general meeting at the Company's and Bursa's websites.