

**AMTEL HOLDINGS BERHAD [Registration No. 199601037096(409449-A)]**  
**BOARD CHARTER**

**1. INTRODUCTION**

The Board Charter is a charter of the Board of Directors (“the Board”) of Amtel Holdings Berhad (“the Company”). The Board is accountable to shareholders and other stakeholders for the proper corporate governance and performance of the Company and is committed to strengthen the Company’s sustainability and organisational effectiveness.

**2. PURPOSE**

The purpose of the Board Charter is to provide a clear statement on the roles and responsibilities of the Board and those delegated to the Management and to outline the core principles of corporate governance which the Group subscribes to and serves as a source of reference and primary induction literature, providing insights to Board members and Senior Management.

In addition, it will assist the Board in the assessment of its own performance and of its individual Directors.

This Charter is available for reference on the Company’s website at [www.amtel.com.my](http://www.amtel.com.my).

**3. ROLE AND RESPONSIBILITIES**

**a) The Board**

The Board has the ultimate responsibility to set strategic direction and policy in relation to the business and affairs of the Company and the Group for the benefit of the shareholders and other stakeholders of the Company. The Board is accountable to shareholders for the performance of the Group.

The Board delegates the day-to-day management and operations of the Group to the Management under the leadership of the Chief Executive Officer (“CEO”), to deliver the strategic direction and goals determined by the Board. A key function of the Board is to monitor the performance of the Management.

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

- i) Review, challenge and decide on Management’s proposals for the Company and the Group, which includes corporate strategy and business plans and monitor the implementation by the Management;
- ii) Review and adopt corporate objectives of the Company and the Group which includes performance targets and long-term and medium-term goals;
- iii) Oversee the resources and operational conducts of the Company and the Group’s businesses, to evaluate and assess Management’s performance to determine whether the businesses are being properly managed;

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- iv) Deciding on whatever steps are necessary to protect the Company's financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken;
- v) Identify and understand the principal risks of the business of the Company and the Group and recognise that business decisions involve the taking of appropriate risks;
- vi) 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;
- vii) Ensure that Senior Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Senior Management;
- viii) Ensure that the Company adopts an effective communication strategy to enable effective communication with shareholders and other stakeholders;
- ix) Review the adequacy and integrity of the Group's internal control systems and ensure there is a sound framework for internal controls and risk management compliance with applicable laws, regulations, rules, directives and guidelines;
- x) Promote good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour;
- xi) Delegates certain responsibilities to the various Board Committees with clearly defined terms of reference to assist the Board in discharging its responsibilities;
- xii) Ensure that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability; and
- xiii) Ensure the integrity of the Company's financial and non-financial reporting.

**b) Matters reserved for the Board**

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 A** of this Board Charter.

**c) Chairman and CEO**

There is a clear division of the roles and responsibilities between the Company's Chairman and CEO. The Board is led by the Non-Independent Non-Executive Chairman and the executive management is led by the CEO.

The Chairman is responsible for leadership of the Board in ensuring Board effectiveness and conduct of the Board. The roles and responsibilities of the Chairman, amongst others, are as follows:-

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- i) Providing leadership to the Board so that the Board can perform its responsibilities effectively, cohesively and independently of Management;
- ii) Setting the Board agenda and ensuring the Board members receive complete and accurate information in a timely manner;
- iii) Leading Board meetings and discussions, as well as encouraging active participation and allowing dissenting views to be freely expressed;
- iv) Promoting constructive and respectful relationship between Board members and managing the interface between Board and Management;
- v) Ensuring appropriate steps are taken to provide effective communication with shareholders and other stakeholders and that their views are communicated to the Board as a whole; and
- vi) Leading the Board in establishing and monitoring good corporate governance practices in the Company.

The CEO assumes the overall responsibility for the Group's operational activities and effectiveness and implements the Board's policies, strategies and decisions. The CEO leads the Management team in carrying out the corporate strategies and objectives of the Group.

The CEO is responsible for the day-to-day management of the business of the Company and the Group. The roles and responsibilities of the CEO, amongst others, are as follows:-

- i) Developing objective, strategic direction and business targets of the Group;
- ii) Ensure that the Company and the Group's business is properly and efficiently managed by ensuring that the Management implements the strategies and corporate policies adopted by the Board and its Committees;
- iii) Ensure that the objectives and standards of performance are understood by the Management and employees;
- iv) Ensure that the operational planning and control systems are in place;
- v) Keeping the Board fully informed of all important aspects of the Group's operation and ensuring sufficient information is distributed to the Board members;
- vi) Monitoring performance results against plans and where necessary, taking remedial action; and
- vii) Ensure the day-to-day business affairs of the Group are effectively and efficiently managed.

**d) Board Committees**

The Board may from time to time establish Board Committees as it considers appropriate to assist in carrying out its duties and responsibilities. The Board has established the following Board Committees which shall be operated under clearly defined terms of reference:-

- Audit Committee
- Remuneration Committee
- Nomination Committee

The Board may also delegate specific functions to ad hoc committees, a Director, employee or other person as and when required.

The Board Committees shall operate under clearly defined terms of reference. The Board Committees are authorised by the Board to deal with and to deliberate on matters delegated to them within their terms of reference. The Chairman of the respective Board Committees reports and update the Board on significant issues and concerns discussed and where appropriate, make the necessary recommendations to the Board. The minutes of the respective Board Committees will be included in the Board papers for Board's notification.

The Terms of Reference of each of the above Board Committees are available on the Company's website at [www.amtel.com.my](http://www.amtel.com.my).

**4. BOARD BALANCE AND COMPOSITION**

**a) Size and Composition**

The Board consists of qualified individuals with diverse professional backgrounds and specialisations with vast range of experience in the field of trading and marketing, engineering, corporate affairs, finance and management to enable them to discharge their duties and responsibilities effectively. The composition and size of the Board is such that it facilitates the decision making of the Company.

In accordance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company must ensure that at least two (2) Directors or one-third (1/3) of the Board, whichever is the higher, are Independent Directors and at least one (1) woman Director. If the number of Directors of the Company is not three (3) or a multiple of three (3), then the number nearest one-third (1/3) must be used.

The basis for the presence of an independent voice on the Board is to ensure that objectivity in decision-making of the Board is achieved and that no single party can dominate such decision-making in the Company.

On boardroom diversity, the Board through Nomination Committee will review the appropriate skills, experience and knowledge required of the Board members, in the context of the needs

of the Group. In addition, the Directors of the Company must have ability to devote sufficient time and attention to the Company. The Board will review its composition and size from time to time to ensure an appropriate balance of skills, experience and diversity.

There is a separation of the role between the Company's Chairman and that of the CEO to ensure a clear division of responsibilities and a balance of control, power and authority.

**b) Appointments and Re-election**

The Fit & Proper Policy was established on 28 June 2022 as a guideline for the Nomination Committee and Remuneration Committee in their review and assessment of candidates nominated for appointment onto the Board as well as those Directors who are seeking re-election.

The Nomination Committee is responsible for making recommendations to the Board for the appointment of new director(s). All nomination to the Board shall first be considered by the Nomination Committee, taking into consideration inter-alia the current and future needs of the Group and the credential of the potential Director.

The procedures for appointment of new Director(s) comprise among others, the following steps:-

- (i) Identification of candidate(s);
- (ii) Assessing the suitability of the proposed candidate(s);
- (iii) Final deliberation by Nomination Committee; and
- (iv) Recommendation to the Board.

In assessing the suitability of the proposed candidate(s), the Nomination Committee shall take into consideration the following criteria:-

- (i) Size, composition, mix of skills, experience, competencies and other qualities of the existing Board;
- (ii) The candidate's skills, knowledge, expertise and experience, competency and capability, professionalism, and personal integrity to effectively discharge his/her role as a Director;
- (iii) Directorships of not more than five (5) public listed companies (as prescribed under Paragraph 15.06 of the MMLR of Bursa Securities) to ensure the proposed candidate(s) has sufficient time to fulfil his or her roles and responsibilities effectively; and
- (iv) In the case of a candidate for the position of Independent Director, the independence as defined in the MMLR of Bursa Securities.

At least one-third (1/3) of the Directors are subject to retirement by rotation at each Annual General Meeting ("AGM") and that all Directors shall submit themselves for re-election at least once in every three (3) years, and are eligible to offer themselves for re-election. If the total number of the Directors is not 3 or multiple of it, the number nearest to, but not less than 1/3 will retire. All newly appointed Directors will be subject to retirement at the next AGM and is eligible for re-election.

**c) Independence of Director**

The Independent Directors provide independent judgment, experience and objectivity without being subordinated to operational considerations. They help to ensure that the interests of all shareholders are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.

The Board shall assess the independence of the Independent Directors prior to their appointment and annually thereafter or when any new interest or relationship develops in light of interests disclosed to the Board.

The tenure of an independent director unless extended by the shareholders through a two-tier voting process, shall not exceed a term limit of nine (9) years in accordance with the Malaysian Code on Corporate Governance 2021. Upon completion of his/her term, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine (9) years, it should provide justification and seek annual shareholders' approval through a two-tier voting process. Notwithstanding, the tenure of an independent director shall not exceed a cumulative term of twelve (12) years.

**d) Time Commitment**

The Directors may be invited to become directors of other companies and the Directors are therefore at liberty to accept other Board appointments, so long as such appointments are not in conflict with the business of the Group and do not adversely affect the Directors' performance as a member of the Board.

In maintaining and monitoring the limitation on directorship as required by the MMLR of Bursa Securities, the Directors upon appointment, and from time to time during their tenure, shall notify the Company Secretary of their directorship in other companies for disclosure to the Board at Board meetings.

**e) Directors' Assessment/Board Evaluation**

The Board recognises the importance of assessing the effectiveness of individual Directors and the Board. The Board, through the Nomination Committee, conducts an assessment on the performance of each individual Director and the Board as a whole on an annual basis.

The assessment criteria includes the mix of skills, size, current composition, experiences, competencies and other qualities required to meet the needs of the Group and to comply with the provisions of the MMLR of Bursa Securities. All assessments and evaluations carried out by the Nomination Committee are properly documented. The summaries of the assessments prepared by the Company Secretary are tabled at the Nomination Committee meeting, for the Nomination Committee's assessment and evaluation.

The conclusion of the Nomination Committee's assessment will be minuted and its minutes are included in the Board papers for Board's notification.

## **5. BOARD MEETINGS**

The Board meets quarterly, however additional meetings are convened as and when required, when warranted by situations that require deliberation on urgent proposals or matters that need the immediate approval or decision of the Board. Where appropriate, decisions are also taken by way of Directors' Circular Resolutions.

The agenda of the meetings and Board papers will be collated and circulated to Directors by the Company Secretary prior to the meetings and the Company Secretary will supervise the filing and storage of all Board papers.

The quorum for holding a Board meeting shall be two (2) unless otherwise determined by the Directors.

If at any meeting the Chairman is not present within ten (10) minutes after the time appointed for holding the meeting, the Directors present shall choose one of their members to be Chairman of the meeting.

The Directors may participate in the Board and/or Board Committee meetings by means of a telephone or video conference or any other communication equipment and such participation shall be deemed to be attendance in person.

All proceedings of the Board meetings are recorded by the Company Secretary, which include matters discussed, the Board's deliberations, decisions, suggestions and conclusion. The minutes are signed by the Chairman as endorsements of records of the meetings.

## **6. DIRECTORS' REMUNERATION**

The Company shall provide a fair, reasonable and competitive remuneration for its Executive and Non-Executive Directors to ensure that the Company attracts and retains, motivates experienced, qualified and high calibre Directors who have the skills, experience and knowledge to run the Company successfully.

The determination of the remuneration for Executive Directors is based on the executive functions, responsibilities, merits, qualification, competency and experience, as well as the contributions and performance of each Director to the business.

The determination of the remuneration for Non-Executive Directors are based on their experience, qualification and level of responsibilities.

The Remuneration Committee shall recommend to the Board, the remuneration of Directors for the Board's approval except that the Directors' fees and meeting attendance allowance (for all Directors), medical expenses and other claimable benefits (only for Non-Executive Directors) are tabled to the Board for recommendation and thereafter to the shareholders at general meetings for approval. No

Director shall participate or vote on the deliberations and decisions concerning his or her own remuneration.

## **7. DIRECTORS' TRAINING**

In addition to the Mandatory Accreditation Programme as required by Bursa Securities, the Directors are also encouraged to attend training programme/courses/seminars on a continuous basis to keep abreast with current developments in laws, regulations and business practices in order to aid the Directors in discharging their duties.

The training needs of the Directors will be reviewed by the Nomination Committee, to ensure that they are acquainted with the latest development and changing environment within which the Company operates.

## **8. FINANCIAL REPORTING**

The Company aims to present a clear and fair assessment of the Company's financial position and future prospects in respect of all quarterly results, reports and financial statements and announcements issued by the Company within the stipulated timeframe.

The Board is assisted by the Audit Committee to scrutinize information for disclosure to ensure its timeliness, accuracy and adequacy.

The Board ensures that the financial statements are prepared so as to give a true and fair view of the current financial status of the Company in accordance with the regulatory requirements and applicable approved accounting standards.

## **9. ACCESS TO INFORMATION AND INDEPENDENT ADVICE**

The Board shall be supplied with appropriate and timely information to enable it to discharge its duties. The Board papers will be distributed to all Directors prior to the Board meetings and sufficient time are given to enable Directors to evaluate the matters to be discussed, in order to discharge their duties effectively and efficiently. The Directors are free to seek any further explanation and information they consider necessary to facilitate informed decision-making. Board reports and meeting papers are prepared and presented by the Management in a concise format that provides adequate facts and analysis pertinent to each proposal or matter that arises.

Senior Management officer may be invited to attend Board meetings when necessary, to furnish explanation and comments on the relevant agenda item(s) tabled at the Board meetings or to provide clarification on issues that may be raised by the Board or any Director.

All Directors, whether as a full board or in their individual capacity have unrestricted access to the information, advice and services of the Company Secretaries and the Senior Management team in the Group in carrying out their duties.



Where necessary, the Directors may obtain independent professional advice in the furtherance of their duties, at the Company's expense if circumstances necessitate it. Prior to incurring such professional fees, the Director shall refer to the Chairman and/or the CEO on the scope, nature and fees of the professional advice to be sought.

#### **10. CONFIDENTIALITY AND DISCLOSURE OF INTEREST**

The Directors are required to act in the best interests of the Company. The Directors also have a duty of confidentiality in relation to the Company's confidential information.

In view of the diversity of the business activities of the Group, the Directors are expected to minimize the possibility of conflict of interest in their involvement with the Group by restricting their involvement in businesses that could lead to a conflict of interest situation.

In the event of the occurrence of a conflict of interest situation, the particular Director shall declare his interests and excuse himself from Board discussions and deliberations and voting in respect of those resolutions/interests.

A Director who is in any way, whether directly or indirectly interested in a contract or proposed contract with the Company shall declare the nature of his interests in accordance with the provisions of the Companies Act 2016. Every Director shall give notice to the Company of such events and matters relating to him, as may be necessary or expedient to enable the Company and its officers to comply with the requirements of the Companies Act-2016.

#### **11. THE GENERAL MEETINGS**

The Company encourages shareholders to attend the AGMs. The Company dispatches its notice of AGM to shareholders at least 28 days prior to the AGM, in advance of the notice period as required under the Companies Act 2016 and MMLR of Bursa Securities. The additional time given to the shareholders allow them to make necessary arrangements to attend and participate either in person, by corporate representative, by proxy or by attorney. The Company Secretary will be present at all general meetings of shareholders.

Under Paragraph 8.29A(1) of MMLR of Bursa Securities, the Company ensures that any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll.

#### **12. RELATIONSHIP AND COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS**

The Company is committed to establishing a direct line of communication with shareholders and investors through timely dissemination of information on the Group's performance and operations via distribution of annual reports and relevant circulars, release of quarterly financial results, press releases and announcements.

The AGMs and any other meetings of the shareholders represent the principal forum for dialogue and interaction with all shareholders and investors. At each AGM, the Board presents the progress and performance of the Group's business. Shareholders are given opportunity and time to participate in the open question and answer session with regards to the agenda items of the general meeting or other concerns over the Group's business as a whole. The Chairman, CEO, other Committee Chairman, Senior Management team and external auditors are available during the general meeting to respond to the shareholders' queries.

To maintain a high level of transparency and to effectively address any issues or concerns, the Group has a dedicated electronic email, [ahb@amtel.com.my](mailto:ahb@amtel.com.my), to which stakeholders can direct their queries or concerns.

### **13. CORPORATE DISCLOSURE POLICY AND PROCEDURES**

The Company is committed to upholding the highest standards of transparency, accountability and integrity in the disclosure of all material information on the Company to the investing public in an accurate, clear and timely manner in accordance with the corporate disclosure requirements, as set out in the MMLR of Bursa Securities and the guidance as set out in the Corporate Disclosure Guide issued by Bursa Securities.

The Board will ensure that relevant disclosure requirements required by Bursa Securities are complied with. To augment the process of disclosure, the Company has established its own website at [www.amtel.com.my](http://www.amtel.com.my) which allows shareholders and the public access to the Company's announcements, corporate information, financial information, annual reports, corporate governance and such other relevant information.

### **14. COMPANY SECRETARIES**

The Board is to be supported by experienced and competent Company Secretaries in discharging its duties and responsibilities. The Company Secretaries attend and ensure that all Board and Board Committees meetings are properly convened and all deliberations and decisions are properly minuted and kept.

The Board appoints the Company Secretaries who play an important advisory role as a central source of information and advice to the Board and Board Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company and advocates adoption of corporate governance best practices. The specific responsibilities of the Company Secretaries include the following:-

- (i) ensure compliance of listing and related statutory obligations;
- (ii) attend Board, Board Committees and general meetings, and ensure the proper recording of minutes;
- (iii) ensure proper upkeep of statutory registers and records;
- (iv) assist in preparation for and conduct of meetings; and

- (v) continuously update the Board on changes to MMLR of Bursa Securities, and other related legislations and regulations.

The appointment and removal of the Company Secretaries is a matter for the Board as a whole.

## **15. WHISTLEBLOWING POLICY**

In order to strengthen corporate governance practices across the Group, a Whistleblowing Policy was established to provide employees with an accessible avenue to report matters of serious concern and/or improper conduct that may affect the professional and compliant operation of the Group's businesses. The Whistleblowing Policy sets out and identifies the appropriate communication and feedback channels which facilitate whistleblowing.

The said document is available on the Company's website at [www.amtel.com.my](http://www.amtel.com.my).

## **16. DIRECTOR'S FIT AND PROPER POLICY**

In line with the amendment to the MMLR, the Board had on 28 June 2022 approved and adopted the Directors' Fit and Proper Policy which outlines the fit and proper criteria for the appointment and re-appointment of Directors on the Board of the Company and its subsidiaries.

The said document is available on the Company's website at [www.amtel.com.my](http://www.amtel.com.my).

## **17. CODE OF CONDUCT AND ETHICS**

The Directors are expected to conduct themselves with the highest ethical standards. All Directors and employees are expected to behave ethically and professionally at all times and thereby protect and promote the reputation and performance of the Company. In relation to this, the Board has established and adopted a Code of Conduct and Ethics for Directors, as well as a Code of Conduct and Ethics for employees of the Group.

Both documents are available on the Company's website at [www.amtel.com.my](http://www.amtel.com.my).

## **18. REVIEW OF BOARD CHARTER**

The Board Charter shall be reviewed on a periodic basis and may be amended by the Board from time to time, to ensure its relevance in assisting the Board to discharge its duties with the changes in laws and regulations and to remain consistent with the Board's objectives and responsibilities.

**SCHEDULE OF MATTERS RESERVED FOR THE BOARD**

A schedule of Matters Reserved for the Board's deliberation and approval include the following but not limited to:

**1. Board Structure**

- (a) Appointment and recommendation for removal of Directors;
- (b) Appointment and removal of Company Secretary(ies); and
- (c) Establishment of Board Committees, their composition and approval on their terms of reference.

**2. Remuneration**

- (a) Recommendation of Directors' fees and benefits for Non-Executive Directors to be approved by the shareholders.
- (b) Approval of remuneration packages for Executive Directors.
- (c) Approval of any proposed employees' share option scheme and/ or amendments to existing scheme, subject to legal and regulatory requirements.

**3. Operational matters**

- (a) Review and approval of Group's strategic plan and annual budget;
- (b) Approval of major capital expenditures, investment or divestiture in a company, business, property or undertaking;
- (c) Approval of investment or divestiture of a capital project which represents a significant diversification from the Group's existing business activities;
- (d) Ongoing review of Management performance; and
- (e) Approval of major changes in the activities of the Group.

**4. Financial**

- (a) Approval of quarterly financial results and annual financial statements based on the recommendations of the Audit Committee;
- (b) Approval for the release of quarterly financial results announcements to Bursa Malaysia Securities Berhad;

- (c) Approval of Directors' Report, Statement by Directors, Sustainability Statement, Chairman's Statement and Management Discussion and Analysis, Corporate Governance Overview Statement, Corporate Governance Report, Audit Committee Report and Statement on Risk Management and Internal Control for inclusion in the Company's Annual Report;
- (d) Approval of interim dividends for payment to shareholders or the recommendation of other distribution for shareholders' approval;
- (e) Adoption of accounting policies in line with the Malaysian Financial Reporting Standards and International Financial Reporting Standards based on the recommendations from Audit Committee; and
- (f) Review of the Group's internal control systems based on the report and findings of the Audit Committee and the Internal Auditor.

## **5. Other matters**

- (a) Entering into any corporate guarantee and indemnity issued by the Company;
- (b) Recommendation for the changes in the Company's Constitution;
- (c) Change in financial year end and registered office;
- (d) Recommendation for purchase of own shares by the Company;
- (e) Recommendation for issue of any debt instruments;
- (f) Any other matters requiring the Board's approval under the limits of authority adopted by the Group;
- (g) Any other significant business decision; and
- (h) Any other matters requiring the convening of a general meeting of shareholders or any class of shareholders.