

# **MCE HOLDINGS BERHAD**

Registration No. 201501033021 (1158341-K)  
(Incorporated in Malaysia)

## **BOARD CHARTER**

### **Introduction**

- I. MCE Holdings Berhad ('MCE') was incorporated on 9 September 2015 and listed on the Main Board of Bursa Malaysia Securities Berhad ('Bursa Malaysia') on 1 July 2016.
- II. MCE has a history of over 28 years beginning with Multi-Code Electronics Industries (M) Berhad ('MCEIB') which was incorporated on 6th day of February, 1990 and listed on Bursa Malaysia on 1997.

MCE assumed the listing status of MCEIB on 1 July 2016 through an Internal Reorganization Exercise carried out and completed on 1 July 2016.

The MCE Group is a leading Original Equipment Manufacturer (OEM) specializing in the full spectrum of design, manufacture and supply of automotive electronics and mechatronic parts for the Malaysian and regional markets.

MCE's vision and mission are as follows:

### **Vision**

To be the main driving force in flourishing the regional automotive industry

### **Mission**

To be the leading regional supplier of automotive electronics and mechatronics parts.

This Board Charter ("Charter") should be read together with the following legislations/regulations and including any modification, amendment or re-enactment thereto that may be made from time to time:

- Companies Act 2016 ("CA 2016");
- Capital Markets and Services Act 2007 ("CMSA 2007"); and
- Main Market Listing Requirements ("MMLR") of Bursa Securities.

If there is any conflict between this Charter with the abovementioned legislations/regulations and the constitution of the Company ("Constitution"), the latter shall prevail. This Charter is in line with the Malaysian Code on Corporate Governance ("MCCG").



## **1. Purpose of this Board Charter**

- 1.1. This Charter sets out the functions, roles and responsibilities of the Board of Directors ('Board') of MCE within the Governance Structure of MCE and its subsidiaries ('MCE Group' or 'Group') to ensure that the Board's practices are consistent with and reflect the Board's commitment to best practices as prescribed in Corporate Governance.
- 1.2. The Board of MCE has primary responsibilities for the governance and Management of the Company and Group including the financial and organizational wellbeing of the Company and Group.
- 1.3. The Charter ensures that the MCE Group has appropriate corporate governance structures aimed at creating and protecting shareholders' value and that all Board members are aware of their duties and responsibilities as Board members.
- 1.4. This Board Charter serves as a reference source and primary induction literature to assist existing members and new members of the Board in the performance of their duties as Directors. It also serves as a reference in the annual assessment of the Board's performance, the performance of its committees and of its Individual Directors.
- 1.5. This Charter was approved by the Board of MCE on 30 June 2016 and is reviewed on an Annual Basis to ensure it remains consistent with the Board's objectives and responsibilities and when the need arises.
- 1.6. This 2<sup>nd</sup> Edition of the Board Charter was reviewed and adopted on 1 November 2018.
- 1.7. This 3<sup>rd</sup> Edition of the Board Charter was reviewed and adopted on 28 September 2019.
- 1.8. This 4th Edition of the Board Charter was reviewed and adopted on 29 September 2020.
- 1.9. This 5th Edition of the Board Charter was reviewed and adopted on 27 June 2022.
- 2.0. This 6th Edition of the Board Charter was reviewed and adopted on 26 September 2025.

## **2. Composition, Roles and Functions of the Board**

### **2.1. Composition**

#### **2.1.1. Size of the Board**

In accordance with Clause 115, until otherwise determined by General Meeting, the number of Directors including a Managing Director shall not be less than two (2) nor more than twelve (12).



In accordance with Bursa Malaysia's MMLR at least two (2) directors or one-third (1/3) of the Board of Directors, whichever is higher, shall be Independent Directors. In line with the Board's Diversity Policy at least one (1) member of the Board is of the female gender. If the number of directors is not three (3) or multiple of three (3), then the number nearest one-third (1/3) shall be used for purposes of determining the requisite number of Independent Director.

- 2.1.2. The size and balance of the Board is determined by the Board with the assistance of a Nomination and Remuneration Committee ('NRC') during its review and evaluation carried out annually.

The Independent Non-Executive Directors are persons of calibre, be credible and have the necessary skills, competencies, commitment and experience to bring independent judgement to bear on issues of strategy, performance and resources including key appointments and standards of conduct.

## 2.2 New Appointment

- 2.2.1 New appointments to the Board are only made after consultation with the NRC taking into consideration the Board's Fit and Proper Person Policy adopted, the required mix of skills, independence and diversity required to meet the need of the Company. In line with the recommendations of MCCG, it is the Board's policy to keep the positions of Chairman and Managing Director distinct and held by separate individuals to ensure a balance of power and authority in the Board.

### 2.2.2 Retirement, Re-Election and Re-Appointment

All Directors are subject to retirement by rotation at the annual general meeting of the Company where one third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one third (1/3) shall retire from office and be eligible for re-election.

All retirement, re-election and re-appointments are subject to the review and recommendation of the NRC and Board taking into consideration those criteria adopted for new appointments under Section 2.2.1 above.

### 2.2.3 Disqualification or Vacation of Office

The office of a Director shall become vacant if the Director:

- (a) becomes disqualified from being a Director under Sections 198 or 199 of the Companies Act 2016 ("CA 2016");
- (b) ceases to be or is prohibited from being a Director by virtue of the CA 2016 or the Securities Laws or MMLR;



- (c) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001;
- (d) dies;
- (e) resigns his office by notice in writing to the Company and deposited at the registered office of Bursa.
- (f) is removed from his office as Director by ordinary resolution of the Company in a meeting of shareholders of which special notice has been given in accordance with Section 206(3) of the CA 2016.

A Director will also vacate office should he be absent from more than 50% of the total board of directors' meeting held during a financial year.

## 2.3 Chairman

- 2.3.1 The Chairman of the Board is an Independent Non-Executive Director and his role and responsibilities is set out under Section 3 of this Charter.

## 2.4 Diversity

- 2.4.1 The Board reviews its structure, composition, size together with considerations in respect of the skills, criteria and various diversity factors to strengthen its structure and composition to meet the objectives of the Company. Where possible, and in reviewing potential candidates for appointment, the Board shall take into consideration diversity factors including ethnicity, gender and age group of the potential candidates in order to achieve a balanced Board composition. The Board has set a policy that at least one member of the Board will be of the female gender.

The Board's Diversity Policy adopted on 1 November 2018 is set out below:

### BOARD DIVERSITY POLICY

MCE Holdings Berhad ('MCE') believes in diversity and values the benefits that diversity can bring to its board of directors ('the Board'). Diversity promotes the inclusion of different perspective and ideas, mitigates against groupthink and ensures that MCE has the opportunity to benefit from all available talent. The promotion of a diverse Board makes prudent business sense and makes for better corporate governance.

MCE seeks to maintain a Board comprised of talented and dedicated directors with a diverse mix of expertise, experience, skills and backgrounds. The skills and backgrounds collectively represented on the Board should reflect the diverse nature of the business environment in which MCE operates. For purposes of Board composition, diversity includes, but is not limited to, business experience, geography, age, gender, and ethnicity and aboriginal status. In particular, the Board has set a policy to have at least 1 director of the female gender.



MCE is committed to a merit based system for Board composition within a diverse and inclusive culture which solicits multiple perspectives and views and is free of conscious or unconscious bias and discrimination. When assessing Board composition or identifying suitable candidates for appointment or re-election to the Board, MCE will consider candidates on merit against objective criteria having due regard to the benefits of diversity and the needs of the Board.

## 2.5 Management

- 2.5.1 The Management and day-to-day management responsibilities is delegated to the Group Managing Director assisted by Group Executive Director whose roles and responsibilities are set out under Section 4 of this Charter and assisted by Senior Management Executives.

## 2.6 Duties and Responsibilities of the Directors

- 2.6.1 The powers and duties of the Directors are as set out in the Constitution of the Company and as prescribed under Sub-division 3 of Division 2 of the CA 2016.

- 2.6.2 Pursuant to Section 211 of the CA 2016:

### Section 211(1)

The business and affairs of a company shall be managed by, or under the direction of the Board.

### Section 211(2)

The Board has all the powers necessary for managing and for directing and supervising the management of the business and affairs of the company subject to any modification, exception or limitation contained in this Act or in the constitution of the company.

- 2.6.3 Pursuant to Section 213 of the CA 2016:

### Section 213(1)

A director of a company shall at all times exercise his powers in accordance with this Act, for a proper purpose and in good faith in the best interest of the company.

### Section 213(2)

A director of a company shall exercise reasonable care, skill and diligence with—

- (a) the knowledge, skill and experience which may reasonably be expected of a director having the same responsibilities; and



- (b) any additional knowledge, skill and experience which the director in fact has.

Section 213(3)

A director who contravenes this section commits an offence and shall, on conviction, be liable to imprisonment for a term not exceeding five years or to a fine not exceeding three million ringgit or to both.

2.6.4 All Directors must act with integrity, lead by example, keep abreast of his responsibilities as a director and of the conduct, business activities and development of the Company. The Board assumes ultimate accountability and responsibility for the stewardship of MCE including those expounded under Guidance 1.1 of the MCCG as follows:

- Promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;
- Review, challenge and decide on Management's proposal on matters as set out in the Group Corporate Authority Manual document, which includes the overall corporate strategy, business plan, budget and regulatory plan, and monitor the implementation by Management;
- Review and approve strategic initiatives including corporate business restructuring or streamlining and strategic alliances, to ensure that they support long-term value creation and take into account economic, environment and social considerations underpinning sustainability;
- Oversee the conduct of the Group's businesses to evaluate and assess management performance whether the businesses are being properly managed;
- Assess and identify the principal risks of the Group's businesses in recognition that business decisions involve the taking of appropriate risks;
- 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;
- Approve the nomination, selection, succession policies, and remuneration packages for the Board members, Board Committee members, Nominee Directors on the functional Boards of the subsidiaries and Group Managing Director, and the annual manpower budget for the Group, including managing succession planning, appointing, training, fixing the compensation of, and where appropriate replacing senior management or key management personnel;
- Approve the appointment, resignation or removal of Company Secretaries;
- Develop and implement an 'investor relations programme' or 'shareholder communications policy' for the Group;
- Review the adequacy and integrity of the Group's internal control systems and management information systems, including systems for



- compliance with applicable laws, regulations, rules, directives and guidelines (including the securities laws, CA 2016 and MMLR);
- Ensure that all the Directors are able to understand financial statements and form a view on the information presented;
- Ensure the integrity of the Company's financial and non-financial reporting.
- Review and approve the Financial Statements encompassing annual audited accounts and quarterly reports, , credit facilities from financial institutions and guarantees;
  
- Review and approve the Audit and Risk Management Committee Report, Statement on Risk Management and Internal Control for the Annual Report;
- Prepare a Corporate Governance Overview Statement/Report on compliance with the MCCG for the Annual Report;
- Review and approve investment policies and guidelines for the Company's surplus funds, asset allocation policy and policy on exposure limits on investment with banking institutions;
- Review and approve the capital expenditure, purchase of fixed assets, operating expenditure, variation order and any other matters in accordance with the Approve the appointment of external auditors and their related audit fees;
- Carry out or perform such other functions necessary for the discharge of its fiduciary duties under the relevant laws, rules and regulations.

#### **2.6.5 Matters reserved for the Board**

The Board has specifically reserved the following matters for decision by the Board:

- Acquisitions of Business/Investments.
- Divestments and Disposals of Business/Investments.
- Overseas Equity Venture.
- Corporate Finance and Proposals.
- Terms of key/main agreements not within the ordinary course of business.
- Acquisition and disposal of Properties and Motor Vehicles.
- Acquisition and Disposal of Fixed assets, other than Properties and Motor Vehicles, for amounts RM100,000 and above.
- Disposal and write offs of current assets, for amounts RM100,000 and above.
- Material expenditure other than capital expenditure not within the ordinary course of business, for amounts RM100,000 and above.
- Bank borrowings and finance arrangements.
- Placements/withdrawal of bank fixed deposits.

### **3. Chairman of the Board**

The Chairman is primarily responsible for :



- Providing leadership for the board so that the board can perform its responsibilities effectively:
  - Ensures that the board plays a full and constructive part in the determination of the company's strategies and policies, and that board decisions taken are in the company's best interests and fairly reflect board's consensus; and
  - Ensures that procedures are in place to govern the board's operations.
- Setting the board agenda and ensures that board members receive complete and accurate information in a timely manner:
  - Plans the board meeting agenda in advance alongside the company secretary and Group Managing Director. Other directors and key members of management may also be consulted;
  - Ensures the provision of accurate, timely and clear information to the other directors; and
  - Ensures all directors are properly briefed on issues arising at board meetings in a timely manner.
  - To ensure the efficient organisation and conduct of the Board's function and meetings and that board committee meetings are separately conducted from the main board meeting;
- Leading board meetings and discussions:
  - Ensures that adequate time is available for thorough deliberation of key issues; and
  - Ensures that decisions are taken on a sound and well-informed basis, including by ensuring that all strategic and critical issues are considered by the board.
- Encouraging active participation and allows dissenting views to be freely expressed:
  - Promotes a culture of openness and debate whilst ensuring that no one director dominates the discussion; and
  - Obtains suggestions and comments from directors and encourages those who are less vocal to be more proactive in providing views.
- Managing the interface between board and management:
  - Acts as the main conduit between management and the board; and
  - Develops a positive relationship with the Group Managing Director.
- Ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the board as a whole:
  - Acts as a spokesperson for the board; and
  - Acts as the main representative of the company alongside the managing director at shareholders' meetings and on other occasions where key or major actions are taken or statements are made in the name of the company.
- Leading the board in establishing and monitoring good corporate governance practices in the company:



- Leads the creation of an effective corporate governance system, including the establishment of board and committee charters, a committee structure and induction as well as ongoing education programmes for directors; and
- Oversees and facilitates board, committee and board member evaluation reviews and succession planning alongside the chairman of the Nomination and Remuneration committee.

#### **4. Group Managing Director**

4.1 The Group Managing Director is appointed by the Board of Directors and is subject to the control of the Board. The Group Managing Director is responsible for the day to day management of the MCE Group with all powers, discretions and delegations authorised from time to time by the Board.

4.2 The Group Managing Director's primary responsibilities include :

- Overall responsibility over the business units and day to day management of the Group, organisational effectiveness and implementation of Board policies, strategies and decisions.
- The development (in conjunction with the Board) and implementation of short, medium and long-term corporate strategies for the Group, preparing business plans and reports with senior management and reporting/presenting to the Board on current and future initiatives.
- Providing leadership, supervision and control in managing a team of executives responsible for all functions contributing to the success of the Group.
- Ensuring that the Group has the appropriate risk management practices and policies in place.
- The assessment of business opportunities which are of potential benefits to the Group.
- Bringing material and other relevant matters to the attention of the Board in an accurate and timely manner.
- Overseeing shareholders' communications.
- Appointing and, where appropriate, removing senior executives, including the Chief Financial Officer and the Company Secretary, with the approval of the Board.
- Evaluating the performance of senior executives.
- Ensures that the objectives and standards of performance are understood by the Management and employees.
- Ensures that the operational planning and control systems are in place.
- Monitoring performance results against plan.
- Taking remedial actions, where necessary.
- Ensures that the Group's Financial Reports are drawn up in accordance with the relevant accounting standards and complies with all requirements of Bursa Malaysia's MMLR.
- Directing and monitoring all aspects of the business operations in a cost effective manner.



- Effectively oversees the human resources of the Group to ensure that key positions in the Group's management structures, including succession planning and talent retention are adequately addressed.
- Ensures the Group's corporate identity, products and services are of acceptable high standards and reflective of the market environment in which the Group operates in.
- Assists the Chairman in ensuring that accurate quality and timely information flows to the Board for establishing the agenda for Board and Committee meetings.

In discharging his responsibilities, the Group Managing Director can delegate and assign appropriate functions and responsibilities to the Group Executive Director and senior management personnel while retaining overall control and responsibility.

## **5. Group Executive Director**

The Group Executive Director is appointed by the Board of Directors and is subject to the control of the Board.

The Group Executive Director's primary responsibilities include :

- Discharge all duties and responsibilities in conformity with policies adopted by the Board, as amended from time to time, and any special duties assigned or delegated by the Board;
- Collaborate with Group Managing Director to set overall direction and head the Company ensuring that the Company is managed efficiently and effectively maximizing the utilization of resources according to the budgeted plan and support policies, procedures and practice of the Company;
- Establish policies that promote Company's vision and core values;
- Coordinate and oversee the daily business operation of the Company especially supporting functions ie. Finance/Accounts, Costing, Human Resources/Admin and Information Technology through the managers and advise and guide them in the right direction so as to ensure that Company's strategic and business plan is executed;
- Optimize the Company's performance by providing sound leadership and training to the management and staff of the Company
- Strengthen relationship with business partners, customers and government regulatory and other authorities, agencies and others;
- Devote requisite time and undivided attention to the service of the Company and faithfully and diligently discharge duties which will promote and advance interest of the Company at all times; and
- Ensure that the welfare of the Company's employees are taken care of and mutual interaction and communication are established between the Management general staff and amongst themselves through activities such as sports, family programmes, recreational and annual dinner get-together

## **6. Chief Financial Officer**

The Chief Financial Officer is appointed by the Group Managing Director in consultation with the Board of Directors and is responsible for :



- Financial and human resources management of the Group including the establishment, maintenance and review of financial and administrative internal controls.
  - Ensures that the human resource and administrative policies and practices adopted by the Group are in compliance with all statutory regulations and requirements.
  - Budget preparation, review and management of the Group.
  - Preparation and review of financial information including annual financial statements to facilitate the discharge of the Group's statutory reporting obligations.
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- Ensures that the Group's Financial Reports are drawn up in accordance with the relevant accounting standards and complies with all requirements of Bursa Malaysia's MMLR.
  - Provision of advices on the effectiveness of accounting and financial information management systems and financial controls in meeting the Group's requirements.
  - Provision of advices concerning the financial implications of and financial risks to the Group's current and projected services.
  - Development of strategic options for the Group's future financial management and capability.

## **7. Individual Board Members**

7.1 The roles and responsibilities of Individual Board Members include:

- Strictly observe the provisions, regulations, guidelines and other relevant requirements under the Company's Constitution, the CA 2016, the MMLR, the Securities Commission and Capital Market Securities Act, 2007 and such other applicable statutes, and to maintain strict confidentiality on the use of the Company's information.
- Responsibility to inform the Board before accepting any other directorships in listed Company/subsidiaries of listed issuers.
- Attendance of Continuing Education Programme which are relevant to the Company's operations and business.
- Review, adoption and monitoring of strategic plans/directions for the Company.
- Review and adoption of Corporate objectives of Company which includes performance appraisals, long-term and medium term goals attainment.
- Oversee the resources and operational conduct of the Company's businesses and to determine whether the businesses are being properly managed.
- Identify principal risks of the Company and to ensure the implementation of appropriate internal controls and mitigation measures.
- Succession planning for Senior Management, including the implementation of appropriate systems for recruiting, training, determining the appropriate compensation benefits and where necessary replacing any member of the Senior Management.
- Oversee the development and implementation of a shareholders' communication policy or investors' relations programme for the Company, to enable effective communication with its shareholders and stakeholders.



- Review the adequacy and integrity of the Group's internal control systems and information management systems which includes appropriately sound framework/systems of reporting and to ensure regulatory compliance with applicable laws, regulations, rules, directives and guidelines.

## **8. Board Committees**

The Board delegates certain responsibilities to the various Board Committees with clearly defined terms of reference to assist the Board in discharging its responsibilities.

### **8.1 Audit and Risk Management Committee ("ARMC")**

The ARMC was established to provide assistance to the Board in relation to fulfillment of the Board's statutory as well as fiduciary responsibilities and ensure that the internal and external audit of the MCE Group are being carried out adequately and effectively. The functions and responsibilities of the ARMC are set out in its Terms of Reference.

### **8.2 Nomination and Remuneration Committee ("NRC")**

The NRC was established to provide assistance to the Board in relation to fulfillment of the Board's statutory and fiduciary responsibilities in respect of its nomination and remuneration responsibilities. The functions and responsibilities of the NRC are set out in its Terms of Reference.

## **9. Independent Directors**

### **9.1 Independence of Directors**

#### **Definition under Listing Requirement**

The definition of an Independent Director is as set out in Paragraph 1.1 of Chapter 1 of the MMLR and further clarified and discussed under Practice Note 13 issued by Bursa Malaysia.

The Board undertakes an assessment of the Independent Directors annually to assess their ability to bring unbiased and objective judgement to the Board's deliberations.

It is the approach of the Board when considering a Director's Independence to critically assess their independence taking into consideration all relevant factors, including the abovesaid definition and explanations under this Section and that such assessment must be applied with common sense and the Directors themselves are best able to determine if they have an interest or relationship which is likely to impact on their independence.

Each Director is expected to advise the Chairman immediately if he/she believes they may no longer be independent. Should the Chairman or any other Director



have any concern about the Independence of a Director, he/she must immediately raise the issue with that Director during a Board Meeting.

Where the independent status of a Director is lost, this is to be disclosed immediately by way of an announcement to Bursa Malaysia.

## **9.2 Tenure of Independent Directors**

Practice 5.3 of the MCCG prescribes that the tenure of an Independent Director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the Board as a non-independent director.

Paragraph 1.01 of the MMLR further limits the tenure of an independent Director to not more than a cumulative period of twelve (12) years from the date of first appointment as an independent Director of the Company or in any one or more of its related corporations.

If the Board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process..

Paragraph 1(h) of Appendix 8A under MMLR stated that statement justifying the nomination of an individual as an independent director, and explaining why there is no other eligible candidate, if such individual had cumulatively served as an independent director of the listed issuer or any one or more of its related corporations for more than 12 years before and observed the requisite 3-year cooling off period.

## **10. Access to Information, Independent Advice and Continuing Development**

- 10.1 The Board and its Committees have access to all information pertaining to the Company.

All Board members have direct access to the advices and services of the Company Secretary.

Board and Committee papers providing accurate and complete information, review and analysis of matters and issues to be considered and deliberated are furnished to all Board/Committee members at the earliest practicable time prior to meetings.

The Group Managing Director / Group Executive Director, Chief Financial Officer, senior management personnel and appropriate external advisers/consultants are available to brief, report and advise in meetings of the Board and Board Committees.

- 10.2 Board members are entitled to request and receive any such additional information as they consider necessary to support informed decision making.



Any Board member has the authority to seek any information he/she requires from any employee of the MCE Group and all employees must comply with such requests.

Any significant issues raised by a Director are to be communicated to the Chairman, Senior Independent Director or Group Managing Director.

- 10.3 Any Board member may take such independent legal, financial or other advice as they may consider necessary, at MCE's cost and expense.

Any Director seeking such independent advice must first discuss the request with the Chairman, who must then agree and approve of this course of action and will facilitate obtaining such advice and, where appropriate, disseminate the advice to all Directors.

- 10.4 The Board has the authority to conduct or direct any investigation required to fulfill its responsibilities and has the authority to retain at the Company's expense, such legal, accounting or other services, consultants, advisers or experts as it considers necessary from time to time in the performance of its duties.

- 10.5 The Board has adopted a Continuing Education Policy to ensure that Board members maintain and update their skills and knowledge necessary to meet their obligations as Directors.

The Continuing Education Policy is set out as a Separate Document and is accessible on the Company's website : <http://www.multicode.com.my/>.

## **11. Procedures for Appointment of Directors**

The Board's procedures for appointments to the Board together with a Fit and Proper Person Policy are viewed as a vital component of the governance process in determining the composition, size, balance competencies and ultimately the quality and integrity of the Board.

MCE has a formal and transparent procedure established for the appointment of new Directors to the Board.

The NRC is responsible for reviewing, proposing and recommending potential new Directors taking into consideration the current and future needs of the Company.

### **Fit and Proper Person Policy**

The Board had on 27 June 2022 adopted a Fit and Proper Person Policy to comply with Paragraph 15.01A of the MMLR.



The Fit and Proper Person Policy serves to ensure that the Board's quality and integrity is maintained and up to expectations.

The Policy serves as a guide for the NRC and Board for the appointment, re-election of Directors and the appointment of key management personnel taking into consideration the candidates:

- a) Characters and integrity
- b) Experience and competence; and
- c) Time and commitment

The Fit and Proper Person Policy is accessible on the Company's website :  
<http://www.multicode.com.my/>.

## **12. Quorum at Board Meetings**

In accordance with Clause 139, the quorum necessary for the transaction of the business of the Directors shall be two (2).

## **13. Induction**

13.1 The objective of the induction process is to provide Directors with a rapid and clear insight into the Group as well as keeping them abreast with development in the market place pertaining to the oversight function of Directors. This will enable the Directors to discharge their duties and responsibilities effectively.

13.2 Induction of Directors may include, but not limited to, the following:

- Furnishing of a copy of the previous board minutes for at least the past six (6) months; the business/strategic plan, pertinent Management reports; profile of key competitors and significant reports by management consultants on areas of board responsibilities;
- Visits to key sites; and
- A formal one (1) to two (2) day induction programme, including the elements above, and also presentations from various divisions on their strengths, weaknesses and ambitions.

## **14. Evaluation of Board Performance**

### **Evaluation of Board Performance**

The Board through the NRC evaluates the performance of the Board as a whole, the Board Committees, the Individual Directors and the Independence of the Independent Directors on an annual basis.

The evaluation criteria and process is in accordance with the procedure that has been established, endorsed and approved by the Board following the recommendation made by the NRC.



The Board evaluation process is carried out by way of peer assessment, in the form of evaluation questionnaires completed, reviewed and deliberated by the NRC before its findings and recommendations tabled to the Board.

The Evaluation process in respect of the Independence of the Independent Directors is carried out by way of peer assessment in the form of evaluation questionnaires and supported by an annual declaration by the respective Independent Director on his/her independence.

The Board's evaluation process also includes the evaluation of the performance of the Chairman of the Board, the Chairman of the ARMC, NRC and the Senior Independent Non-Executive Director.

The completed evaluation questionnaires are then reviewed and deliberated by the NRC before its findings and recommendations tabled to the Board for decision.

The evaluation criteria and process shall be reviewed at least once every three (3) years or as and when there are new regulatory provisions in place to ensure those criteria remain relevant and appropriate.

#### **15. Corporate Disclosure Policy**

The Board has adopted a Corporate Disclosure Policy which takes into consideration the Guidance set out under Bursa Malaysia's Corporate Disclosure Guide issued in September 2011.

The Corporate Disclosure Policy aims to strengthen the Board's commitments to good corporate governance and ensure that all stakeholders are provided with comprehensive, accurate and quality information on a timely and even basis.

The Corporate Disclosure Policy is set out as a Separate Document and is accessible on the Company's website : <http://www.multicode.com.my/>.

#### **16. Stakeholders Communication Policy**

The Board has adopted a Stakeholders Communication Policy in respect of communicating with all stakeholders, including its shareholders.

The Stakeholders Communication Policy is set out as a Separate Document and is accessible on the Company's website : <http://www.multicode.com.my/>.

#### **17. Secretary**

17.1 The Company Secretary will be the Secretary of the Board.

17.2 Under the direction of the Chairman, the Company Secretary's responsibilities include ensuring good information flows between members of the Board and the Board Committees, and between senior management and non-executive directors, as well as facilitating the induction of new directors and assisting with each director's professional development, as required.



17.3 All directors have access to the advices and services of the Company Secretary.

**18. Code of Conduct & Business Ethics Policy and Whistleblowing Policy**

The Board has adopted a Code of Conduct and Business Ethics Policy to enhance the standards of Corporate Governance and Behaviour as a guide for the Directors and employees from the Executive level upwards.

On 1 November 2018, the Board has further enhanced its commitment to inculcate ethical practices and adopted a Whistleblowing Policy.

These policies are set out as a Separate Documents and is accessible on the Company's website : <http://www.multicode.com.my/>.

**19. Review**

19.1 The Board will review this Charter as and when the need arises to keep it current and relevant at all times.

19.2 This Board Charter was last reviewed and revised on 26 September 2025.

**20. Publication/Availability**

A copy of this Charter is available from the Company's website: <http://www.multicode.com.my/> .