

# **ASTINO BERHAD BOARD CHARTER**

## **PURPOSE**

To sets out the role, responsibilities, structure and processes of the Board of ASTINO BERHAD (“Company or ASTINO”).

## **ROLES & RESPONSIBILITIES**

The role of the Board is to provide leadership and strategic guidance for ASTINO and its subsidiaries companies (“the Group”) in addition to overseeing Management’s implementation of ASTINO strategic initiatives. Each Director has a legal duty to act in the best interest of the Company.

The Directors, collectively and individually, are aware of their responsibilities to shareholders and stakeholders for the manner in which the affairs of the Group are managed.

The Board meets in person at least once every quarter to facilitate the discharge of their responsibilities. Members of the Management who are not Directors may be invited to attend and speak at meetings on matters relating to their sphere of responsibility.

The key responsibilities of the Board are as follows:

- review and approve strategies, business plans and significant policies and monitor management’s performance in implementing them;
- set corporate values and clear lines of responsibility and accountability that are communicated throughout the organization;
- overseeing and evaluating the conduct of the Company’s businesses;
- ensure there is internal control system and to review the adequacy and integrity of the systems of internal control;
- ensure the principal risk in the Group are identified, measured and with appropriate systems of internal control;
- evaluating and approving major capital expenditures and all major corporate transactions;
- approving annual forecast and monitoring the actual performance against forecast quarterly;
- ensure competent management; and
- appointment of board committees.

## **COMPOSITION AND BOARD BALANCE**

The Board consists of qualified individuals with diverse experiences, backgrounds and perspectives. The composition and size of the Board is such that it facilitates the making of informed and critical decisions. At any one time, at least two (2) or one-third (1/3), whichever is higher, of the Board members are Independent Directors.

Profiles of Board members are included in the Annual Report of the Company. The Chief Executive Officer (“CEO”) and the Executive Director(s) are the “Executive” Directors on the Board. However, the views of the Management are represented at meetings of the Board by the presence of senior management when required.

The Independent Directors provide independent judgement, experience and objectivity without being subordinated to operational considerations.

The Independent Directors help to ensure that the interests of all shareholders, and not only the interests of a particular fraction or group, are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.

The views of the Independent Directors should carry significant weight in the Board's decision-making process.

The Board may appoint a Senior Independent Director to whom shareholders' concerns can be conveyed if there are reasons that contact through the normal channels of the Chairman or the CEO have failed to resolve them. The Senior Independent Director chairs the meetings between the Non-Executive Directors where both the Chairman and Executive Directors do not attend.

### **APPOINTMENT**

The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the Nomination Committee. In making this recommendation, the Nomination Committee considers the required mix of skills and experience, which the director should bring to the Board. Any new nomination received is put to the full Board for assessment and endorsement.

Upon the appointment of a new Director, the Company Secretary advises the Director of his/her principal duties and responsibilities and explains the restrictions to which he or she is subject to in relation to price-sensitive information and dealings in the Company's securities. Thereafter, all Directors are provided with appropriate briefings on the Company's affairs and up-to-date Corporate Governance materials published by the relevant bodies

### **RE-ELECTION**

In accordance with the Company's Constitution (Articles of Association), any additional Director appointed shall hold office only until the next following Annual General Meeting and shall then be eligible for re-election. The Articles also provide that at least one-third of the remaining Directors be subject to re-election by rotation at each Annual General Meeting and all the Directors shall retire from office once in each three years but shall be eligible for re-election.

## **SUPPLY OF INFORMATION**

The Company aims to provide all Directors with timely and quality information and in a form and manner appropriate for them to discharge their duties effectively.

The Management is responsible for providing the Board with the required information in an appropriate and timely manner. The Chairman, assisted by the Company Secretary, assesses the type of information required to be provided to the Board. If the information provided by the Management is insufficient, the Board will make further enquiries where necessary to which the persons responsible will respond as fully and promptly as possible.

A full agenda and comprehensive Board papers are circulated to all Directors well in advance of each Board meeting.

Amongst others, the Board papers include the following:

- a) Quarterly financial report and report on the Company's cash and borrowing positions;
- b) Minutes of meetings of all Committees of the Board;
- c) A current review of the operations of the Company;
- d) Reports on Related Party Transactions and Recurrent Related Party Transactions;
- e) Directors' share-dealings; and
- f) Annual forecast.

Full Board minutes of each Board meeting are kept by the Company Secretary and are available for inspection by any Director during office hours.

## **CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

The Company aims to ensure a balance of power and authority between the Chairman and the CEO with a clear division of responsibility between the running of the Board and the Company's business respectively. The positions of Chairman and CEO are separated and clearly defined.

### **Chairman**

The Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role. The Chairman is responsible for:

- a) leading the Board in setting the values and standards of the Company;
- b) maintaining a relationship of trust with and between the Executive and Non-Executive Directors;
- c) ensuring the provision of accurate, timely and clear information to Directors;
- d) ensuring effective communication with shareholders and relevant stakeholders;
- e) arranging regular evaluation of the performance of the Board, its Committees and individual Directors;

- f) facilitating the effective contribution of Non-Executive Directors and ensuring constructive relations be maintained between Executive and Non-Executive Directors.

The Chairman, in consultation with the CEO and the Company Secretary, sets the agenda for Board meetings and ensures that all relevant issues are on the agenda.

The Chairman ensures that every Board resolution is put to vote to ensure the will of the majority prevails.

The Chairman ensures that Executive Directors look beyond their executive functions and accept their full share of responsibilities on governance.

### **Chief Executive Officer (CEO)**

- The CEO is the conduit between the Board and the Management in ensuring the success of the Company's governance and management functions.
- The CEO has the executive responsibility for the day-to-day operation of the Company's business.
- The CEO implements the policies, strategies and decisions adopted by the Board.
- All Board authorities conferred on the Management is delegated through the CEO and this will be considered as the CEO's authority and accountability as far as the Board is concerned.

### **BOARD COMMITTEES**

Committees are formed to assist in the effective functioning of the Board. The Board delegate specific responsibilities to three (3) committees, namely the Audit Committee, the Nomination Committee and the Remuneration Committee, which operates within clearly defined terms of reference and are consistent with the recommendations of the Malaysia Code On Corporate Governance 2017~~2~~ ("Code").

Independent and Non-Executive Directors play a leading role in these Committees. The Management and third parties are co-opted to the Committees as and when required. The Chairman of the various committees will report to the Board on matters deliberated at the committee meetings and such reports are incorporated in the minutes of the Board meetings.

Details of the membership of each Committee appointed by the Board are published in the Annual Report.

### **CODE OF CONDUCT**

Under the Companies Act 2016, Directors, executive and non-executive, stand in a fiduciary relationship to the Company and shall at all times act honestly and use reasonable due diligence in the discharge of their duties. Directors shall at all times be highly responsible and observe the following codes:

- Act in good faith and in the best interest of the Company and its shareholders;
- Act honestly, fairly, in good faith, responsibly and with high accountability;

- Not to act beyond the power and authority conferred by the Company;
- Conduct oneself courteously, respectfully and professionally;
- Do not take improper advantage and abuse of position;
- Use prudent judgment to avoid getting into a position of conflict of interest for personal gain and to inform the Board of any existing or potential conflict of interest situation;
- Keep the Group's information confidential. The Group's information should not be disseminate to any third parties and should not be used for own personal benefits and gains;
- Not to make and/or receive improper benefits and gains of any kind that could affect objectivity of decision and judgement;
- To avoid any kind of unlawful and unethical discrimination and harassment;
- Maintain objectivity and ensure judgment will not be subordinated;
- Exercise independent judgment in decision making and provide sound and objective advice;
- Be accurate in representing the facts of the Company;
- Keep abreast with Company and industry developments;
- Strive to maintain the image and reputation of the Company;
- Devote adequate time and attention to discharge duties and responsibilities effectively
- Contribute actively to Board functions and provide special expertise and insights to the Board;
- Obligation and right to report for breach to the Code, any relevant law and regulation and policies and procedures of the Group as laid down under the Group Whistle-Blowing Policy;
- At all times complied with the Code, any relevant law and regulation and policies and procedures of the Group.

## **FINANCIAL REPORTING**

The Company aims to present a balanced and comprehensive assessment of the Group's financial position and future prospects that extends to the interim and price-sensitive information and other relevant reports submitted to regulators.

The Directors ensure that the financial statements are prepared so as to give a true and fair view of the current financial status of the Company in accordance with the approved accounting standards.

The Audit Committee assists the Board in ensuring the accuracy, adequacy and completeness of information for disclosure.

## **COMPANY AUDITORS**

The Board has established formal and transparent arrangements for considering how financial reporting and internal control principles will be applied and for maintaining an appropriate relationship with the Company Auditors through its Audit Committee.

The Audit Committee also keeps under review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the Company Auditors. The Company ensures that the Company Auditors do not supply a substantial volume of non-audit services to the Company.

Appointment of the Company Auditors is subject to approval of shareholders at General Meetings. The Company Auditors have to retire during the AGM every year and be re-appointed by shareholders for the ensuing year.

### **INTERNAL AUDIT FUNCTION**

The internal audit function may be outsourced and to be carried out by an independent professional consulting firm to assist the Audit Committee in discharging its duties and responsibilities. The internal audit activities shall be carried out in accordance with the internal audit plan which comprises the following:

- to review internal controls systems and ascertain the extent of compliance with the established policies, procedures and statutory requirements; and
- identifying areas to improve controls of operations and processes in the Group.

The findings by the internal audit function shall be presented to the Committee who will take steps to ensure that appropriate actions are to be taken to improve the internal control systems.

### **INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION**

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

The Board ensures the timely release of financial results on a quarterly basis to provide shareholders with an overview of the Company's performance and operations in addition to the various announcements made during the year.

The Annual General Meeting serves as an ideal opportunity to communicate with both institutional and individual shareholders. During the meeting, shareholders are given every opportunity to enquire and comment on matters relating to the Group's business. All Directors shall be available to provide responses to shareholders' questions during these meetings.

The Company's website provides easy access to corporate information pertaining to the Company and its activities and is continuously updated.

### **COMPANY SECRETARY**

The Board appoints the Company Secretary, who plays an important advisory role, and ensures that the Company Secretary fulfils the functions for which he/she has been appointed.

The Company Secretary is accountable to the Board through the Chairman of the Board and Committees on all governance matters.

The Company Secretary is a central source of information and advice to the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company.

The Company Secretary should advise Directors of their obligations to adhere to matters relating to:

- disclosure of interest in securities;
- disclosure of any conflict of interest in a transaction involving the Company;
- prohibition on dealing in securities;
- restrictions on disclosure of price-sensitive information;

The Company Secretary must keep abreast of, and inform, the Board of current governance practices.

The Board members have unlimited access to the professional advice and services of the Company Secretary.

## **APPLICATION**

The principles set out in this Charter are:

- kept under review and updated as practices on Corporate Governance develop and further guidelines on Corporate Governance are issued by the relevant regulatory authorities;
- applied in practice having regard to their spirit and general principles rather than to the letter alone;
- summarised in the Annual Report as part of a narrative statement by the Directors on Corporate Governance;
- the Board endeavours to comply at all times with the principles and practices set out in this Charter; and
- any updates to the principles and practices set out in this Charter will be made available on the Company's website.