

SUPERLON HOLDINGS BERHAD (“SUPERLON” OR “THE COMPANY”) BOARD CHARTER

1. Overview

The Board of Directors of Superlon (“the Board”) is responsible for the success of the Superlon Holdings Berhad group of companies (“the Group” or “Superlon Group”). The Board is responsible in setting the strategic direction of the Group, establishing visions and goals for the management and continuously monitoring and improving its performance so as to protect and enhance shareholders’ value.

The Board is primarily responsible for ensuring that Superlon has an appropriate corporate governance structure aimed at creating and protecting shareholders’ value.

The Board is also responsible for ensuring that Superlon recognizes its obligations to all legitimate stakeholders, including but not limited to the customers, suppliers, employees, authorities and the communities where Superlon operates and are affected by its activities.

The Company’s Constitution and the Companies Act 2016 sets out the responsibilities and authorities of the Board and set out rules and procedures for the composition, election and operation of the Board of Directors.

This Board Charter shall constitute an integral part of the Director’s duties and responsibilities and states Superlon’s commitment to corporate governance and aims to ensure that appropriate accountability and control systems are in place. This Charter shall be reviewed at least once annually and shall be published on Superlon’s corporate website.

2. Compliance with Laws

As a public company listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”), Superlon shall comply with the Bursa Securities’ Listing Requirements (“Listing Requirements”), the Company Act 2016 (“the Act”) and all other applicable laws and regulations.

3. Board Composition

The Board is to comprise of:-

- (a) A Non-Executive Chairman to oversee the Board;
- (b) The Managing Director to oversee the overall operational functions in the Company’s day-to-day activities;
- (c) Executive Directors to assist the Managing Director in overseeing the day-to-day activities; and
- (d) Independent Directors to monitor the Company’s performance, strategies and policies and accountability to the minority shareholders.

At least two directors or one-third of its Board, whichever is higher, shall be independent directors. If the number of directors is not 3 or a multiple of 3, then the number nearest to one-third must be used. In the event of any vacancy in the board of directors, resulting in non-compliance with the above, the vacancy must be filled within 3 months.

The Board is responsible for setting the strategic direction of the Company and establishing visions and goals for the management and continuously monitoring and improving its performance so as to protect and enhance shareholders' value. Their responsibilities include but are not limited to the following:-

- (a) Oversight of the Superlon Group, including its control and accountability systems;
- (b) Appointing and removing any of the Directors;
- (c) Board development and succession planning;
- (d) Review and approval of the corporate strategy;
- (e) Review and approval of budgets;
- (f) Approving and monitoring the capital expenditures and investment policies;
- (g) Monitoring compliance with all relevant legal, tax and regulatory obligations;
- (h) Review this Charter and approve any required amendments including those required to comply with the Listing Requirements and/or other applicable laws and legislations;
- (i) Reviewing and monitoring the internal compliance and controls, codes of conduct, risk management systems, continuous disclosure, and other corporate policies;
- (j) Periodically and at least, annually, reviewing the effectiveness of the implementation of the Company's risk management system and internal control framework;
- (k) Guide and monitor the Company's performance and implementation of strategy and policies, including assessing whether appropriate resources are available;
- (l) Approving and monitoring financial and other reporting to Bursa Securities, shareholders and other stakeholders; and
- (m) Appointing and removing the Company Secretary; and
- (n) Appointment, reappointment, removal and replacement of the external and internal auditors.

In discharging his/her duties, each Director must:-

- (a) Exercise due care and diligence;
- (b) Act in good faith in the best interests of the Superlon Group and Company;
- (c) Not improperly use his/her position or misuse information of Superlon; and
- (d) Commit the time necessary to discharge his/her role as a Director effectively.

The Board has full decision-making power, among others, on the following matters:-

- (a) Conflict of interest issues involving substantial shareholders, directors or management;
- (b) Material acquisitions and disposals not in the ordinary course of business;
- (c) Material investments in capital projects/assets;
- (d) Business plans and budgets (including major capital commitments);
- (e) Material corporate or financial exercises/restructuring, including exercises resulting in changes in capital;
- (f) Declaration of dividend;
- (g) Annual and interim financial results; and
- (h) Directors' fees and allowances.

4. Term of Office

Subject to the Act, the Members of the Board are subject to election by the shareholders and are required to be re-elected by the shareholders at regular intervals of not more than 3 years.

Each director is required to inform the Chairman and/or the Company prior to accepting any new directorship in a public listed company.

4.1 Committees

To assist the Board in fulfilling its duties and responsibilities, it has established three committees:-

- (a) Audit and Risk Management Committee;
- (b) Nomination Committee; and
- (c) Remuneration Committee.

Each committee has its terms of reference wherein it is granted certain powers and is delegated certain duties. The committee reports to the Board which is ultimately responsible for the final decisions.

4.2 The Chairman

The Chairman should ideally be an Independent Non-Executive Director (where possible). Where it is viewed to be necessary to have any Non-Independent and/or Executive Director chairing the Board, the Board should explain to its justifications to the shareholders via the Annual Report.

The Chairman is responsible for:-

- (a) the overseeing and leadership of the board in the effective discharge of its supervisory role of the Superlon Group;
- (b) the efficient organization and conduct of the Board's functions and meetings;
- (c) briefing the Directors in relation to issues arising at meetings; and
- (d) promotion of constructive and respectful relations between board members (within the board and with the management) and facilitate the effective contribution of all Directors.

4.3 Managing Director

The Managing Director is responsible for:-

- (a) strategising the business direction, plans and policies of the Group;
- (b) the day-to-day business affairs overseeing the operating units and organisational effectiveness;
- (c) the implementation of Board policies and decisions; and
- (d) reporting to the Board of Directors in a timely manner on all material on-goings of the Group.

4.4 Independent Directors

Independent Directors, in addition to complying with the criteria set out in the Listing Requirements, are those who are able to exercise their duties unfettered by any business or relationships or conflict of interests, and are able to express their opinions at the board meetings and shareholder meetings free of concern about their position or the position of any third party.

A senior independent director is available to whom concerns of stakeholders may be conveyed.

Where any Independent Director is of the view that they have an interest or relationship which is likely to impact their independence and if he/she believes they may no longer be independent, the Director is expected to advise the Chairman and/or the Board immediately and accordingly, to abstain from any deliberation on the matter in the Board meetings and from voting at the shareholders' meeting.

5. Access to Information and Independent Advice

All Directors are entitled to be heard at all meetings.

All Directors are to have unrestricted access to the advice as well as services of the company secretary and external auditors whether as a full board or in their individual capacity, in the furtherance of their duties.

A director of the Company is entitled to seek independent professional advice (including but not limited to legal, accounting and financial advice, governance or expert advice) at the Company's expense on any matter connected with the discharge of his or her responsibilities, in accordance with the procedures and subject to the conditions set out below:

- (a) A director must consult in advance with the Board;
- (b) In seeking the prior approval of the Board, the director must provide the Board with details of:
 - i) the nature of the independent professional advice;
 - ii) the likely cost of seeking the independent professional advice; and
 - iii) details of the independent adviser he or she proposes to instruct.
- (c) The Chairman may prescribe a reasonable limit on the amount that the Company will contribute towards the cost of obtaining such advice;
- (d) All documentation containing or seeking independent professional advice must clearly state that the advice is sought both in relation to the Company and to the director in his or her personal capacity. However, the right to advice does not extend to advice concerning matters of a personal or private nature, including for example, matters relating to the director's contract of employment with the Company or any dispute which may involve the interest of any single or group of shareholders of the Company; and
- (e) The Chairman may determine that any advice received by an individual director will be circulated to all members of the Board.

6. Appointment and Removal of Directors

The Board should be of a size and composition that is conducive to making decisions expediently, with the benefit of a variety of perspectives and skills, and in the best interest of the Superlon Group as a whole rather than of individual shareholders or other stakeholders.

6.1 Tenure of Directors

Pursuant to the Company's Constitution, one-third (1/3) of the directors for the time being, or, if their number is not a multiple of three, the number nearest to one-third (1/3) with minimum of one (1), shall retire from office, and an election of directors shall take place at each annual general meeting of the Company. Each director shall retire once in every three (3) years but shall be eligible for re-election.

The directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became directors on the same day those to retire (unless they otherwise agree among themselves) be determined by lot.

Pursuant to the Act, any director appointed by the Board during the financial year shall hold office only until the next annual general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the number of directors who are to retire by rotation at such meeting.

7. Process and Procedures for Convening Board Meetings

Prior to any Board meeting, every Director is given an agenda with the relevant documents and information on matters to be deliberated on. All proceedings in the Board meetings are minuted by the Company Secretary who attends all the board meetings and ensures that accurate and proper records of the proceedings of Board meetings and that all resolutions passed are recorded and kept in the statutory register at the registered office of Superlon. Minutes for every Board meeting are circulated to all Directors for their perusal prior to confirmation of the minutes at subsequent Board meetings.

All Directors are entitled to call for additional clarification and information to assist them in matters that require their decision-making. Time is also allocated at each meeting for Directors to raise matters not covered by the formal agenda.

7.1 Frequency of Meetings

The Board will meet at least four (4) times in each financial year although additional meetings may be called at any time, at the discretion of the Chairman of the Board.

7.2 Quorum of Meetings

The quorum shall not be less than two members.

8. Shareholder Communication Policy

As part of an effective shareholder communications strategy, Superlon:-

- (a) Maintains a website; and
- (b) Make available, via its website, any materials presented at significant investor briefings.
- (c) Conduct an annual general meeting which shall act as the principal forum of dialogue with shareholders.

Shareholders are notified of the meeting and provided with a copy of the Company's Annual Report (and Circular, if required) prior to the meeting. At each Annual General Meeting ("AGM"), the Board presents the Group's results and shareholders are given the opportunities to raise questions pertaining to the business of the Group in general and the resolutions being proposed based on the agenda at every general meeting of the Company. Members of the Board and the auditors of the Company are available at the AGM to respond to all queries and to provide clarification on issues and concerns raised by the shareholders. The notice of the General Meetings, when such meetings are called, together with the Circular to Shareholders, if required, are made available to shareholders in accordance with the stipulated period set out in the Listing Requirements and the Act in order to enable shareholders to fully evaluate the resolutions being proposed.