

POWERTECHNIC GROUP BERHAD

Registration No. 202101015445 (1415745-D)

(Incorporated in Malaysia)

BOARD CHARTER

Introduction

- i) POWERTECHNIC GROUP BERHAD (“Powertechnic” or the “Company”) was incorporated on 23 April 2021 and converted to a Public Company on 27 November 2024.
- ii) The Board of Directors of Powertechnic (“Board”) has adopted this Board Charter (“Charter”) which sets out the composition, functions, roles and responsibilities of the Board, committees and management of Powertechnic within the governance structure of Powertechnic and its subsidiaries (collectively referred to as “Group”) to ensure that the Board’s practices are consistent with and reflect the Board’s commitment to the best practices as prescribed under the Malaysian Code of Corporate Governance (“MCCG”).

This Charter should be read together with the constitution of the Company (“Constitution”) and the following legislations/regulations 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
- ACE Market Listing Requirements (“ACE LR”) of Bursa Securities.

If there is any conflict between this Charter with the abovementioned legislations/regulations and the Constitution, the latter shall prevail. This Charter is also in line with the MCCG.

1. Purpose of this Board Charter

- 1.1 The Board of Powertechnic has primary responsibilities for the governance and management of the Group including the financial and organizational wellbeing of the Group.
- 1.2 The Charter ensures that the Group has appropriate corporate governance structures aimed at creating and protecting shareholders’ value including managing of material sustainability matters and that all Board members are aware of their respective duties and responsibilities as Board members.
- 1.3 This Charter shall be used as guidance to assist all Board members and outlines what is expected from them in terms of their commitment, roles and responsibilities in discharging their fiduciary duties and fulfilling their responsibilities as Board members. It shall serve 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.

2. Composition, Meeting, Roles and Functions of the Board

2.1 Composition

2.1.1 Size of the Board

In accordance with Clause 115 of the Constitution, until otherwise recommended by the Board and confirmed by the Company in a general meeting, the number of directors including the Managing Director (“MD”), if any, shall not be less than two (2) and not more than nine (9).

In compliance with Rule 3.08 and Rule 15.02 of the ACE LR of Bursa Securities, read together with the MCCG, the Company will ensure that at least two (2) directors or one-third (1/3) of the Board, whichever is higher, are independent directors and one (1) director of the Board is a woman. If the number of directors is not three (3) or a multiple of three (3), then the number nearest one-third (1/3) shall be used for purposes of determining the requisite number of independent directors. In the event of any vacancy in the Board, resulting in non-compliance with the composition of the Board as set forth in Section 2.1.1, the Company shall fill the vacancy within three (3) months.

Rule 1.01 of the ACE LR provides the definition of “Independent Directors” as a director who is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company.

The independent non-executive directors of the Company shall be persons of caliber, with full competence, character, diligence, integrity and judgement with the necessary skills, competencies, commitment and experience to bring independent judgement to bear on issues of strategy, sustainability performance and standards of conduct. The presence of independent non-executive directors on the Board and in meetings ensure that decisions made by the Board remain objective and independent and that interests of minority shareholders are addressed and accorded with due consideration.

The Board should consist of suitably qualified individuals with differing range of knowledge, skills, experiences, backgrounds and diversity. Further, the size and composition of the Board should be such that it facilitates the making of informed and critical decisions for the Group, with the benefit of diversity in perspectives, and competencies to properly understand and deal with the current and emerging issues of the business of the Company.

The size and balance of the Board is determined by the Board with the assistance of a Nominating Committee (“NC”) during its review and evaluation and review shall be carried out annually to ensure that they remain appropriate for the Company’s needs.

2.1.2 New Appointment

New appointments to the Board are only made after consultation with the NC taking into consideration the Board's Fit and Proper Person Policy adopted, the required mix of skills, independence and diversity required to meet the needs of the Company. The Board may utilise independent sources to identify a suitably qualified candidate. In line with the recommendations of MCCG, it is the Board's policy to keep the positions of Chairman of the Board ("Chairman") and MD or its equivalent distinct and held by separate individuals to ensure a balance of power and authority in the Board.

The appointments of members to the Board shall be made in a formal and transparent process as endorsed by the MCCG. The Company Secretary will then ensure that all appointments are properly made and that all the legal and regulatory obligations are complied with.

2.1.3 Retirement, Re-Election and Re-Appointment

In accordance with Clause 133 of the Constitution, election of directors shall take place each year at the annual general meeting of the Company ("AGM"). 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 the 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 directors shall retire from office once at least in each three years but shall be eligible for re-election.

All retirement, re-election and re-appointments are subject to the review and recommendation of the NC and Board taking into consideration those criteria adopted for new appointments under Section 2.1.2 above.

2.1.4 Disqualification or Vacation of Office

The office of a director shall be vacated if the person holding that office:

- (a) becomes bankrupt and a receiving order in bankruptcy is made against him during his term of office or he makes any arrangement or composition with his creditors;
- (b) resigns his office by giving a written notice to the Company at the registered office;
- (c) has retired in accordance with CA 2016 or the Constitution but is not re-elected;
- (d) is removed from office in accordance with CA 2016 or the Constitution;
- (e) becomes disqualified from being a director under CA 2016 and/or the ACE LR;
- (f) 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;
- (g) dies;

- (h) is absent from more than 50% of the total Board meetings held during a financial year; or
- (i) is convicted by a court of law, whether within Malaysia or elsewhere, in relation to the offences set out below: -
 - i. offences in connection with the promotion, formation or management of a corporation;
 - ii. offences involving bribery, fraud or dishonesty or where the conviction involved a finding that he acted fraudulently or dishonestly; or
 - iii. offences under the securities laws or the corporations laws of the Company's place of incorporation.

2.1.5 Chairman

The Chairman shall be an independent non-executive director and his/her roles and responsibilities are set out under Section 3 of this Charter.

2.1.6 Diversity

The Board has adopted a Diversity Policy as the Board views diversity in the boardroom as an essential factor in ensuring an effective and well-functioning Board. The Diversity Policy is set out as a separate document and is accessible on the Company's website.

As part of the NC's terms of reference, the NC will review and oversee the diversity needs of the Board during the selection, recruitment and/or appointment of new directors by taking into consideration the Board's diversity in skills, experience, age, cultural background and gender, of its directors.

The Board has set a policy that at least one (1) member of the Board and senior management will be of the female gender.

2.1.7 Management

The management and day-to-day management responsibilities are delegated to the MD assisted by the executive director(s) whose roles and responsibilities are set out under Section 4 of this Charter and assisted by key senior management.

2.2 Board Meetings

The Board shall conduct meetings at least four (4) times a year or more frequently as circumstances dictate in accordance with the manner stated in the Constitution. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Board no later than seven (7) days before the date of meeting. Reasonable time should be given for Board members and to other attendees as appropriate, to consider all relevant papers and materials prior to the Board meeting. The Board may meet on shorter notice and waive notice of any meetings as they deem necessary subject to the consent and agreement of all Board members.

The Chairman shall be the Chairman of the Board meeting and in the absence of the Chairman and/or an appointed deputy in any meeting, the remaining members present shall elect one (1) of themselves to chair the meeting in accordance with the provisions set out in the Constitution.

The Chairman should ensure that the Board committee meetings are not combined with the main Board meeting. Board committee meetings should be conducted separately from the Board meeting to enable objective and independent discussion during the respective committee meetings.

A duly convened meeting of a Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion vested in or exercisable by the Board.

The Board may invite other parties such as the management, auditors, solicitors or consultants to make presentations, brief the Board members and clarify and explain any matters or areas of concern which the directors may have, as and when the need arises. External parties invited may attend part or all of the Board meeting at the discretion of the Board.

The company secretary(ies) of the Company shall record minutes of the Board meetings for circulation to the Board members, which will be confirmed and signed by the chairman of the meeting as correct proceedings thereat in the next scheduled Board meeting unless otherwise determined. All directors should ensure that the minutes of meetings accurately reflect the deliberations of the Board, including any dissenting views and if any director has abstained from voting or deliberating on a particular matter. Minutes of Board meetings together with decisions made by way of a resolution passed shall be duly recorded and properly kept by the company secretary.

All directors must comply with the minimum attendance at Board meetings as stipulated by Bursa Securities.

The Board may from time to time and if deemed appropriate, consider and approve and/or recommend relevant matters via a resolution in writing, in lieu of formally convening a meeting. A written resolution in writing signed or approved by a majority of the directors or their alternates shall be as valid and effectual as if it has been passed by a meeting of the Board duly called and constituted. Approval of the Board on the resolution can be by legible confirmed transmission by facsimile or other forms of electronic communications and may consist of several documents in like form, each signed by one (1) or more directors or their alternates.

2.3 Quorum at Board Meetings

In accordance with Clause 139 of the Constitution, the quorum necessary for the transaction of the business of the directors shall be minimum of two (2) directors for the time being of the Company.

2.4 Duties and Responsibilities of the Directors

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

2.4.2 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 CA 2016 or in the constitution of the company.

2.4.3 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 the CA 2016, 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.

Section 214

- (1) A director who makes a business judgment is deemed to meet the requirements of the duty under subsection 213(2) of the CA 2016 and the equivalent duties under the common law and in equity if the director –
 - i. makes the business judgment for a proper purpose and in good faith;
 - ii. does not have a material personal interest in the subject matter of the business judgment;
 - iii. is informed about the subject matter of the business judgment to the extent the director reasonably believes to be appropriate under the circumstances; and
 - iv. reasonably believes that the business judgment is in the best interest of the company.

- (2) For the purposes of this section, “business judgment” means any decision on whether or not to take action in respect of a matter relevant to the business of the company.

2.4.4 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 the Company 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 which includes the overall corporate strategy, business sustainability plan, budget and regulatory plan, and monitor the implementation by management;
- Review and approve strategic initiatives including corporate business restructuring or streamlining, strategic alliances, material sustainability matters, to ensure that they support long-term value creation and take into account economic, environmental 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, identify and understand 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;
- Ensure that senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of board and senior management;
- 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 MD, and the annual human resources budget for the Group, including managing succession planning, appointing, training, fixing the compensation of, and where appropriate replacing senior management or key senior management;
- Approve the appointment, resignation or removal of company secretary(ies);
- Ensure that the company has in place procedures to enable effective communication with stakeholders including development and implementation of an ‘investor relations programme’ or ‘shareholder communications policy’ for the Group;

- Ensure there is a sound framework for internal controls and risk management including review of 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 ACE LR);
- Establish an independent internal audit function that reports directly to ARMC;
- Review the internal audit plan and reports from such internal audit function through the ARMC;
- Ensure that all the directors are able to understand financial statements and form a view on the information presented;
- Ensure the integrity of the Group'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;
- Review and approve the sustainability statement for inclusion in the annual report;
- Review and approve of a Diversity Policy to promote the inclusion of different perspectives and ideas and recognize the benefits that diversity including gender diversity can bring to the Board and senior management;
- Prepare a Corporate Governance Overview Statement/ Report and the Corporate Governance Report in compliance with ACE LR and 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 approved budget;
- Approve the appointment of external auditors and their related audit fees; and
- Carry out or perform such other functions necessary for the discharge of its fiduciary duties under the relevant laws, rules and regulations.

2.4.5 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 for amounts **RM300,000** and above;
- Acquisition and disposal of fixed assets, other than properties, for amounts **RM300,000** and above;
- Material expenditure other than capital expenditure not within the ordinary course of business, for amounts **RM300,000** and above;
- Impairment and write offs of assets, for amounts **RM300,000** and above;
- Bank borrowings and finance arrangements;
- Placements/withdrawal of bank fixed deposits;
- All related party transactions; and
- Matters/Issues involving Conflict of Interest (“COI”) of directors and key senior management escalated by the ARMC to the Board.

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 the Board decisions taken are in the Company’s best interests and fairly reflect the Board’s consensus;
 - ❖ Ensures that procedures are in place to govern the Board’s operations; and
 - ❖ Leading the Board in the adoption and implementation of good corporate governance practices in the company.
- 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 with the company secretary and MD. Other directors and key members of management may also be consulted;
 - ❖ Ensures the provision of accurate, timely and clear information to the other directors;
 - ❖ Ensures all directors are properly briefed on issues arising at Board meetings in a timely manner; and
 - ❖ 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 the Board and management:
 - ❖ Acts as the main conduit between management and the Board; and
 - ❖ Develops a positive relationship with the MD.
- 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 MD 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 and sustainability practices in the Company:
 - ❖ Leads the creation of an effective corporate governance system including a Sustainability Policy and 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 NC.

4. Managing Director

- 4.1 The MD is appointed by the Board and is subject to the control of the Board. The MD is responsible for the day-to-day management of the Group with all powers, discretions and delegations authorised from time to time by the Board.
- 4.2 The MD'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.
 - Providing leadership, oversight and control to identify, prioritise and manage material sustainability matters to create long term value to stakeholders and society at large.

- 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 group accountant and the company secretary, with the approval of the Board. (where applicable)
- 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 Securities' ACE LR and presents a true and fair view of the Group's financial condition and operational results and are in accordance with the relevant accounting standards.
- 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.
- Ensures compliance with governmental procedures and regulations.
- Implementing appropriate framework for internal controls and risk management.
- Coordinates business plans with the business heads, oversees functional departments or business divisions and implement cost containment measurements in consultation with the group accountant (or its equivalent).
- Maintains and facilitates a positive working environment and good employee relations.
- Develop long-term strategic and short-term profit plans.
- Develop and implement succession plans.

In discharging his responsibilities, the MD can delegate and assign appropriate functions and responsibilities to the executive directors and key senior management while retaining overall control and responsibility.

5. Executive Directors

The executive directors are appointed by the Board and is subject to the control of the Board.

The 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 MD to set overall direction and head the Company ensuring that the Group is managed efficiently and effectively maximizing the utilization of resources according to the budgeted plan and support policies, procedures and practice of the Group;
- Establish policies that promote Group's vision and core values;
- Coordinate and oversee the daily business operation of the Group 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 Group's strategic and business plan is executed;
- Support the Board and MD in embedding sustainability practices throughout the Group, improving awareness of the relevant risks and opportunities in relation to the Group's sustainability matters;
- Assist the MD and Board in identifying, prioritising and managing material sustainability matters to create long term value for all stakeholders;
- Optimize the Group's performance by providing sound leadership and training to the management and staff of the Group;
- 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 Group and faithfully and diligently discharge duties which will promote and advance interest of the Group at all times; and
- Ensure that the welfare of the Group'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. Group Accountant

The group accountant is appointed by the MD in consultation with the Board and is responsible for:

- 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;
- Ensures that the Group's financial reports are drawn up in accordance with the relevant accounting standards and complies with all requirements of Bursa Securities' ACE LR;

- Support the Board and MD in embedding sustainability practices throughout the Group, improving awareness of the relevant risks and opportunities in relation to the Group's sustainability matters;
- Assist the MD and Board in identifying, prioritising and managing material sustainability matters to create long term value for all stakeholders;
- Provision of written assurance together with the MD that the Group's risk management and internal control are operating adequately and effectively in all materials aspects base on the risk management and internal control system adopted by the Group;
- The maintenance of a register/data base for related parties, identification, monitoring, reporting and bringing to the attention of the ARMC on related party transactions and any conflict or potential conflict of interest situations involving the directors and senior management;
- Provision of advice on the effectiveness of accounting and financial information management systems and financial controls in meeting the Group's requirements;
- Provision of advice concerning the financial implications of and financial risks to the Group's current and projected services; and
- Development of strategic options for the Group's future financial management and capability.

7. Individual Board Members

The roles and responsibilities of individual board members include:

- Strictly observe the provisions, regulations, guidelines and other relevant requirements under the Constitution, the CA 2016, the ACE LR, the Securities Commission Malaysia's Capital Market and Services Act, 2007 and such other applicable statutes, and to maintain strict confidentiality on the use of the Group'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 Group's operations and business.
- Review, adoption and monitoring of strategic plans/directions for the Group.
- Review and adoption of corporate objectives of Group which includes performance appraisals, long-term and medium-term goals attainment.
- Oversee the resources and operational conduct of the Group's businesses and to determine whether the businesses are being properly managed.
- Identify principal risks of the Group 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 stakeholders' communication policy or investors' relations programme for the Group, 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.
- Review and oversight of measures for embedding sustainability practices throughout the Group, improving awareness of the relevant risks and opportunities in relation to the Group's sustainability matters.
- Review and oversight of the Group's measures and procedures for identifying, prioritising and managing material sustainability matters to create long term value for all stakeholders.

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. While the Board may appropriately delegate its authority to board committees or management, it should not abdicate its responsibility and should at all times exercise collective oversight of the board committees and management. The Board should not delegate matters to a committee or management to an extent that would significantly hinder or reduce the Board's ability to discharge its functions. Where the Board delegates any of its responsibilities, it is encouraged to disclose the delegation of authority and regular review of the division of responsibilities should be conducted to ensure that the Company is able to adapt to changing business circumstances.

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 audits of the 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 NC

The NC 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 responsibilities. The functions and responsibilities of the NC are set out in its terms of reference.

8.3 Remuneration Committee ("RC")

The RC was established to provide assistance to the Board in relation to fulfillment of the Board's statutory and fiduciary responsibilities in respect of its remuneration responsibilities. The functions and responsibilities of the RC are set out in its terms of reference.

9. Independent Directors

9.1 Independence of Directors

Definition under the ACE LR

The definition of an independent director is as set out in Rule 1.1 of Chapter 1 of the ACE LR and further clarified and discussed under Guidance Note 9 issued by Bursa Securities.

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 Securities.

9.2 Appointment and tenure of Independent Directors

The appointment of directors shall be recommended by the NC and approved by the Board.

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.

Rule 1.01 of the ACE LR 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.

Rule 1(h) of Appendix 8A under the ACE LR stated that a 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.

9.3 Role of Independent Directors

The role of independent directors is to constructively challenge and help develop proposals on strategy include, inter alia: -

- Make independent assessment of the information, reports or statements, having regard to the directors' knowledge, experience and competence, to provide independent view and demonstrate objectivity in reviewing and challenging the Management's proposals at meetings.
- Devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes, so as to keep abreast of industry issues, market development and trend, and enable them to sustain their active participation in Board deliberations.
- Act as a channel of communication between management, shareholders and other stakeholders, and provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied.

10. Access to Information, Independent Advice and Continuing Development

- 10.1 The Board and its committees have access to all information pertaining to the Group.

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 MD / executive directors, group accountant, key senior management 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 Group and all employees must comply with such requests.

Any significant issues raised by a director are to be communicated to the Chairman or MD.

- 10.3 Any Board member may take such independent legal, financial or other advice in respect of the operation of the Group as they may consider necessary, at Powertechnic's cost and expense.

Any director seeking such independent advice must first discuss the request with the Chairman, who after assessment may 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 Group'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.

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.

Powertechnic has a formal and transparent procedure established for the appointment of new directors to the Board.

The NC is responsible for reviewing, proposing and recommending potential new directors taking into consideration the current and future needs of the Group.

Fit and Proper Person Policy

The Board had adopted a Fit and Proper Person Policy to comply with Rule 15.01A of the ACE LR.

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

The Fit and Proper Person Policy serves as a guide for the NC and Board for the appointment, re-election of directors and the appointment of key senior management 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.

12. Induction

- 12.1 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.

13. Evaluation of Board Performance

The Board through the NC 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 are in accordance with the procedure that has been established, endorsed and approved by the Board following the recommendation made by the NC.

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

The Board's evaluation process also includes the evaluation of the performance of the Chairman of the Board, the Chairman of the ARMC, NC and RC,

The completed evaluation questionnaires are then reviewed and deliberated by the NC 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.

14. Corporate Disclosure Policy

The Board has adopted a Corporate Disclosure Policy which takes into consideration the Guidance set out under Bursa Securities' 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.

15. Stakeholder Communication Policy

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

The Stakeholder Communication Policy is set out as a separate document and is accessible on the Company's website.

16. Secretary

- 16.1 The company secretary will be the secretary of the Board.
- 16.2 Under the direction of the Chairman, the company secretary's responsibilities include amongst others, 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.
- 16.3 All directors have access to the advices and services of the company secretary.

17. Code of Conduct & Business Ethics Policy and Whistleblowing Policy

The Board has adopted a Code of Business Conduct and Ethics Policy together with a Whistleblowing Policy to enhance the standards of corporate governance and behaviour as a guide for the directors and all employees.

These policies are set out as a separate document and is accessible on the Company's website.

18. Remuneration Policy

The Board has adopted a Remuneration Policy to formalise its approach to determine the remuneration package which takes into account the demands, complexities and performance as well as skills and experience of the directors and key senior management.

The Remuneration Policy is set out as a separate document and is accessible on the Company's website.

19. Directors' External Commitments and Conflict of Interest

Directors who are in any way, whether directly or indirectly, interested in a contract or proposed contract with the Group shall declare his interest. The directors concerned shall not participate in deliberations and shall abstain himself from casting his votes in any matter arising thereof.

Shall there be an actual, potential or perceived conflict of interest between the Group or a related corporation and a director, or an associate of a director such as a spouse or other family members, or a related corporation, the director involved shall make full disclosure and act honestly in the best interest of the Group.

An actual, potential or perceived conflict of interest shall not necessarily disqualify an individual director from the Board provided that full disclosure of the interest has been made in good faith and with due honesty.

The Conflict of Interest Policy is set out as a separate document and is accessible on the Company's website.

20. Review

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

21. Publication/Availability

A copy of this Charter is available from the Company's website.

This Board Charter was approved and adopted by the Board on 27 November 2024.