



PMB TECHNOLOGY BERHAD
Registration No. 200201016594(584257-X)

Board Charter

1. Purpose of the Board Charter

This Board Charter sets out the principles for the operation of the Board of Directors (“**Board**”) of PMB Technology Berhad (“**PMBT**” or “**the Company**”) and its subsidiaries (“**the Group**”) and describes the functions of the Board and those functions delegated to Management of the Company.

The Board has primary responsibility to shareholders for the welfare of the Company. The Board is responsible for guiding and monitoring the business and the affairs of the Company. The Company recognises the importance of the Board in providing a sound base for good corporate governance in the operations of the Company.

This Board Charter incorporates the Principles and Practices of the Malaysian Code on Corporate Governance (“**MCCG**”), as considered appropriate, Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**MMLR**”) on corporate governance, certain aspects of the Company’s Constitution and relevant portions of the Companies Act 2016 insofar as the duties and responsibilities of Directors are concerned. This Board Charter is established to promote high standards of corporate governance and is designed to provide guidance and clarity for Directors and management with regard to the role of the Board and its committees. This Board Charter does not overrule or pre-empt the statutory requirements and other relevant statutes. This Board Charter shall form an integral part of each Director’s duties and responsibilities.

2. Composition of the Board

- 2.1 The Board shall be of a size and composition with the benefit of diversity in perspectives, competencies, extensive experience, knowledge and skills to understand properly and deal with the current and emerging issues of the business of the Company. Thus, the Board acknowledges the importance to promote gender diversity and does not set a restriction on having female director(s) on the Board.
- 2.2 Pursuant to paragraph 15.02 of MMLR, the Board shall comprise at least two (2) Directors or one-third (1/3), whichever is higher, of the Board of Directors who are Independent Directors and at least one (1) director shall be a woman. The Independent Directors provide independent judgement, experience and objectivity without being subordinated to operational considerations.



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- 2.3 In the event of any vacancy in the Board, resulting in non-compliance with Paragraph 2.2 above, the Company must fill the vacancy within three (3) months.
- 2.4 The appointment of a new member to the Board is only made after consultation with the Nomination Committee. Further, in identifying candidates for appointment of directors, the Board does not solely rely on recommendations from existing Board members, management or major shareholders. The Board may utilise variety of independent sources to identify suitably qualified candidates. Appointment of Directors is based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.
- 2.5 The Board shall endeavour to achieve 30% female directors whenever a suitable female candidate is identified. The Board through its Nomination Committee should take steps to ensure that woman candidates are sought as part of the recruitment exercise. Where the composition of women on the Board is less than 30%, the Board should disclose the action it has or will be taking to achieve 30% or more and the timeframe to achieve this. A reasonable timeframe is three years or less.
- 2.6 The Board recognises the importance of having a clearly accepted division of power and responsibilities at the head of the Company to ensure a balance of power and authority. The position of Chairman and the Chief Executive Officer (“CEO”) are held by different individuals.
- 2.7 A Director shall inform the Board’s Chairman before he/she accepts any new directorships. Each Board member must not hold directorships at more than five (5) listed issuers.
- 2.8 The Board shall obtain time commitment from newly appointed Directors at the time of appointment.
- 2.9 The Board shall appoint a Senior Independent Director who serves as the point of contact between the Independent Directors and the Chairman on sensitive issues, ensure all Independent Directors have an opportunity to provide input on the agenda and ensure the Independent Directors can perform their duties responsibly and with sufficient time for discussion of all agenda items.
- 2.10 The maximum tenure of an Independent Director shall be a cumulative term of nine (9) years. Upon reaching such maximum tenure, the Independent Director may continue to serve on the Board but shall be re-designated as a Non-Independent Director.



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3. Appointments and Re-election

- 3.1 The appointment of a new Director is a matter for consideration and decision by the Board upon appropriate recommendation from the Nomination Committee. It is of essence of the Board to ensure high levels of professional skills and appropriate personal qualities are pre-requisites for such nominee.
- 3.2 The criteria for the recruitment or appointment (including e-election/ re-appointment) of Director is guided by fit and proper assessment by the Nomination Committee based on the Directors' Fit and Proper Policy and Terms of Reference of the Nomination Committee.

Without limiting the generality of the foregoing, the qualifications for Board membership are:

- (a) the ability to make informed business decisions and recommendations;
 - (b) an entrepreneurial talent for contributing to the creation of shareholders' value;
 - (c) sufficient available time to be able to fulfil his or her responsibilities as a member of the Board and any of the Committees to which he or she may be appointed; and
 - (d) total commitment to furthering the interests of shareholders and the achievement of the Company's goals
- 3.3 No person shall be appointed, re-appointed, elected or re-elected as a Director on the Board or continue to serve as a Director if the person is or becomes an active politician. A person is considered an "active politician" if he is a Member of Parliament, State Assemblyman or holds a position at the Supreme Council or division level in a political party.
 - 3.4 The tenure of the Executive Directors are tied to their executive office.
 - 3.6 Annual assessment on the performance and effectiveness of the Board, Board Committees and Individual Directors will be carried out with the objective to draw the attention of the Board key areas that need to be improved.
 - 3.7 Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the next Annual General Meeting of the Company but shall be eligible for re-election.



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- 3.8 Directors shall retire from office at least once every three years but shall be eligible for re-election at the Annual General Meeting.
- 3.9 The Board shall provide a statement as to whether it supports the appointment or reappointment of the director and the reasons.

4. Role of the Board

- 4.1 The Board shall assume ultimate accountability and responsibility for the performance and affairs of the Company and shall in so doing effectively represent and promote the legitimate interests of the Company and its shareholders. The Board, at all times, shall retain full and effective control over the Company and shall direct and supervise the business and affairs of the Company. Each Director has a legal duty to act in good faith, to use reasonable care, skill and diligence and to act in the best interest of the Company.
- 4.2 The Board shall ensure that Management has in place appropriate processes for risk assessment, management and internal controls and monitoring performance against agreed benchmarks. The Board shall work with Senior Management as collaborators in advancing the interests of the Company.
- 4.3 The Board has delegated certain responsibilities to committees which operate in accordance with Charter approved by the Board and delegated the day to day management of the business of the Group to Management, executive officer and CEO subject to an agreed authority limit.
- 4.4 The Board should, among others undertake the following:-
 - (i) Strategic planning - to review and approve strategies, business plans and key policies for the Group and monitor Management's performance in implementing them to determine whether the business is being properly managed;
 - (ii) Corporate goal - to set corporate values and clear lines of responsibility and accountability, including governance systems and processes that are communicated throughout the Group;
 - (iii) Compliance to regulation - to ensure full compliance and to carry out the duties of the Board in accordance with the relevant provisions of the MMLR, the Capital Markets and Services Act 2007, the Companies Act 2016, the MCCG and all applicable laws, regulations and guidelines;



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- (iv) Independent and transparent - to ensure that there shall be unrestricted access to independent advice or expert advice at the Company's expense in furtherance of the Board's duties;
- (v) Code of conduct - to formalise the ethical standards through a code of conduct which will be applicable throughout the Group and ensure compliance to this code of conduct;
- (vi) Succession planning - to ensure that Management has the necessary skills and experience, has and there is a proper and robust succession plan for its Management and Executive Directors in place. Succession planning refers to the process of selecting, training, appointing, monitoring, evaluating and if warranted, replacing any management to ensure succession;
- (vii) Management proposals - to review, challenge and decide on Management's proposals for the Group, and monitor its implementation by Management;
- (viii) Judgmental timing - to ensure that the Board has adequate procedures in place to receive reports from Management periodically and / or on a timely manner, so that the Board has reasonable grounds to make proper judgement on financial matters and business prospects of the Group on an ongoing basis;
- (ix) Financial and non-financial reporting - to ensure all its directors are able to understand financial statements and form a view of the information presented, and to ensure the integrity of the Group's financial and non-financial reporting. Each director shall read the financial statement of the Group and carefully consider whether what they disclose is consistent with the director's own knowledge of the Group's affairs;
- (x) Related party management - to establish procedures to assess any related party transactions or conflict of interest situations that may arise within the Company or Group, including any transaction, procedure or course of conduct that raises questions of management integrity;
- (xi) Board committee - to establish and ensure the effective functioning and monitoring of the Board Committees then to delegate appropriate authority and TOR to such committees established by the Board;



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- (xii) Board balance - to strive to achieve an optimum balance and dynamic mix of competent and diverse skillsets amongst the members of the Board;
 - (xiii) Governance culture - together with Management, promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour; and
 - (xiv) Stakeholder communication - to ensure that the Group has in place procedures to enable effective communication with stakeholders.
- 4.5 The Board will direct and supervise the Management, the business and affairs of the Group including, in particular:-
- (i) Sustainability management - to review and adopt a strategic plan for the long-term value creation and includes strategies on economic, environment and social considerations;
 - (ii) Performance management - to establish policies for strengthening the performance of the Group including ensuring that the Management is proactively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital;
 - (iii) Risk management - to identify principal risks, set the risk appetite within which the Board expects the Management to operate and ensure the implementation of appropriate systems to manage the significant financial and non-financial risks and to ensure there is a sound framework for internal controls and risk management;
 - (iv) Internal audit - to establish an internal audit function to obtain assurance of regular review and / or appraisal of the effectiveness of the system of internal controls within the Company and Group. The Board should explain in summary the means that exist for obtaining such assurance of regular review and / or appraisal;
 - (v) Internal control - to review the adequacy and integrity of the Group's internal control system and management information systems, including systems for complying with applicable laws, regulations, rules, directives and guidelines;
 - (vi) Debt repayment capacity - to decide on whatever steps necessary to protect the Company's and Group's financial position and the ability



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generate cash flow to meet its debts and other obligations when they fall due, and ensuring that such steps are taken; and

- (vii) Law and regulations - to ensure that the operations of the Company are conducted prudently and within the framework of relevant laws and regulations.

5. Formal Schedule of Matters Reserved for the Board's Decision

5.1 The Board reserves full decision-making powers on the following matters:

- Conflict of interest issues relating to a substantial shareholder or a Director including approving related party transactions;
- Material acquisitions and disposition of assets not in the ordinary course of business including significant capital expenditures;
- Strategic investments, mergers and acquisitions and corporate exercises;
- Limits of authority;
- Treasury policies;
- Risk management policies;
- Key human resource issues;
- Appointment of auditors and review of the financial statements;
- Financing and borrowing activities;
- Ensuring regulatory compliance; and
- Reviewing the adequacy and integrity of internal controls.

6. Role of the Chairman

6.1 The Chairman is responsible for leading the Board in oversight of management, representing the Board to shareholders and chairing general meeting of shareholders. The Chairman of the Board should not be involved in the Board Committees to ensure there is check and balance as well as objectives review by the Board.

6.2 Key responsibilities of the Chairman include:

- Providing leadership for the Board so that the Board can perform its responsibility effectively;
- set the board agenda and ensure that Board members receive complete and accurate information in a timely manner;
- lead board meetings and discussions;



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- encourage active participation and allow dissenting views to be freely expressed;
- manage the interface between Board and management;
- ensure appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole;
- lead the Board in adoption and implementation of good corporate governance practices in the Group; and
- ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the Company's financial and non-financial performance as well as the Company's long-term strategies.

7. Role of the CEO

7.1 The position of the CEO in essence is to ensure the effective implementation of the Group's strategic plan and policies established by the Board as well as to manage the daily conduct of the business and affairs to ensure its smooth operations.

7.2 The CEO is responsible to the Board for the following:

- executive management of the Group's business covering, inter alia, the development of a strategic plan; an annual operating plan and budget; performance benchmarks to gauge the management's performance and the analysis of the management's reports;
- develop long-term strategic and short-term profit plans;
- assessing business opportunities which are potential benefit to the Company;
- managing key business risks that evolve or arise from time to time, so as to mitigate financial loss or reputational damage to the Group;
- set, review and ensure compliance with the Company's value;
- direct and control all aspects of the business operations;
- effectively oversee the human resources of the Group with respect to key positions in the Group's hierarchy;
- ensures that the Group's Financial Reports present a true and fair view of the Group's financial condition and operational results and are in accordance with the relevant accounting standards;
- assures the Group's corporate identity, products and services are of high standards and are reflective of the market environment;



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- be one (1) of the official spokespersons for the Company and responsible for regulatory, governmental and business relationships;
- ensures compliance with governmental procedures and regulations;
- coordinates business plans with the businesses heads, coordinates management issues through the Board, and oversees divisional function groups and cost containment process in consultation with the Group Financial Controller;
- promoting a high degree of corporate governance and ethics across the Group;
- maintains and facilitates a positive working environment and good employee relations; and
- assists the Chairman in organising information necessary for the Board to deal with the agenda and for providing this information to Directors on a timely basis.

In discharging the above responsibilities, the CEO can delegate appropriate functions to the Senior Management, who shall report to the CEO.

8. Role of Independent Directors

- 8.1 Independent Directors are those who have no direct or indirect pecuniary interest in the Company other than the remuneration for their services as members of the Board of Directors and Board committees of the Company and the Group as defined under Paragraph 1.01 of the MMLR;
- 8.2 The role of Independent Directors is to constructively challenge and help develop proposals on strategy include, inter alia:
- to 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;
 - to bring impartiality and scrutiny to Board's deliberations and decision-making and also serve to stimulate and constructively challenge the Management in an objective manner;
 - to 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; and
 - act as a channel of communication between Management, shareholders and other stakeholders, and provide the relevant checks and balances,



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focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied.

- 8.3 Independent Directors shall meet among themselves at least annually to discuss among others strategic, governance and operational issues.

9. Role of Senior Independent Director

9.1 The role of Senior Independent Director includes, amongst others:

- act as a sound board for the Chairman;
- ensure all independent directors have opportunity to input on the agenda, and advise the Chairman on the quality, quantity and timeliness of the information submitted by the management that is necessary or appropriate for the independent directors to perform their duties effectively;
- consult the Chairman regarding board meeting schedules to ensure the independent directors can perform their duties responsibly and with sufficient time for discussion of all agenda items;
- serve as the principal conduit between the Independent Directors and the Chairman on sensitive issues;
- serve as a designated contact for consultation and direct communication with shareholders on areas that cannot be resolved through the normal channels of contact with the Chairman or CEO;
- lead the succession planning and appointment of directors, and oversee the development of a diverse pipeline for board and management succession, including the future Chairman, Executive Directors and CEO; and
- lead the annual review of board effectiveness, ensuring that the performance of each individual director and Chairman of the Board are independently assessed.

10. Role of Directors

10.1 The principal roles of directors includes, amongst others:

- review and adopt a strategic plan for the Company;
- oversee the conduct of the company's business to evaluate whether the business is being properly managed;
- succession planning, including appointing, training, fixing the compensation of and, where appropriate, replacing senior management;



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- develop and implement an investor relations programme or shareholder communication policy for the Company;
- review the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- direct the management of the business and affairs of the Group;
- attend substantially all the meetings of the Board and substantially all the meetings of each Committee on which the Director serves;
- review all materials provided by the Company relating to matters to be considered before attending meetings of the Board or Committees; and
- To read the financial statements of the Company and carefully consider whether what they disclose is consistent with the director's own knowledge of the company's affairs.

11. Board Processes/Procedures

Board Meetings shall be conducted in a business-like manner where all Directors are encouraged to share their views and partake in discussions. No one person should dominate the discussion. The Chairman, assisted by the Company Secretary, shall play a mediator's role to maintain the order of the proceedings in a constructive, productive and effective manner.

11.1 Board Meeting and Frequency

11.1.1 The Board shall meet regularly, at least on a quarterly basis. Special Board meetings shall be held in addition to the quarterly meetings as and when required. Prior notice of meetings will be given to all who are required to attend the meetings.

11.1.2 The quorum for Board meetings shall be two (2).

11.1.3 The Chairman of the Board, or in his absence, a Director from amongst the Board members appointed shall preside as Chairman of the meeting.

11.1.4 Board members are required to attend the Board meetings and attendance of each individual Director in the meetings held in a financial year is required to be disclosed in the Annual Report.

11.1.5 Other senior officers may be invited to attend for particular items within their responsibility. The Board may also invite external



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parties such as the auditors, solicitors and consultants as and when the need arises.

11.1.6 Additional formal business is dealt with as required, whether by physical, videoconferencing or telephonic meetings, as well other electronic meetings allowed under the laws or the Company's Constitution.

11.1.7 All resolutions, attendance, transactions quorums and votes obtained through electronic means shall be deemed valid and effective unless it contravenes the requirements of relevant statutes and regulations.

11.2 Agenda

11.2.1 The notice of a Directors' meeting shall be given in writing at least seven (7) days prior to the meeting except in the case of an emergency.

11.2.2 The agenda shall include, amongst others, matters specifically reserved for the Board's decision. The Board shall record its deliberation, in terms of the issues discussed, and the conclusions thereof in discharging its duties and responsibilities.

11.3 Meeting Papers

Board papers and agenda items are to be circulated at least five (5) days prior to the meeting.

11.4 Minutes

The Board shall record its deliberation, in terms of the issues discussed, including any dissenting views and if any Director had abstained from voting or deliberation on a particular matter, and the conclusion thereof in discharging its duties and responsibilities. The minutes of Board meetings shall be prepared in a timely manner.

11.5 Access to Information and Independent Professional Advice

11.5.1 All Directors (executive and non-executive) have the same right of access to all information within the Group whether as a full board or



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in their individual capacity, in furtherance of their duties and responsibilities as Directors of the Company, subject to a formal written request to the Chairman furnishing satisfactory and explicit justification for such request.

11.5.2 All Directors shall have access to the advice and services of the Company Secretary. The Board shall recognise that the Chairman is entitled to the strong and positive support of the Company Secretary in ensuring the effective functioning of the Board.

11.5.3 The Board or in their individual capacity, in furtherance of their duties, shall be able to obtain an independent professional advice at the Company's expenses through an agreed procedure laid down formally.

12. Company Secretary

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

12.2 The Company Secretary shall be suitably qualified, competent and capable of carrying out the duties required of the post.

12.3 The key role of the Company Secretary shall include:

- provide unhindered advice and services for the Directors, as and when the need arises;
- enhance the effective functioning of the Board;
- ensure regulatory compliance;
- advise the Board on its obligatory requirements to disclose material information to the shareholders and financial markets on a timely basis;
- preparing agendas and coordinating the preparation of the Board papers in a timely and effective manner;
- ensuring that Board procedures and applicable rules are observed;
- maintaining records of the Board and ensure effective management of organisation's records;
- preparing comprehensive minutes to document Board proceedings and ensure conclusions are accurately recorded;
- facilitate the orientation of new directors and assist in director training and development;
- ensure availability of information required by new directors for the proper discharge of their duties;



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- assisting the communications between the Board and Management;
- providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time; and
- serve as a focal point for stakeholders' communication and engagement on corporate governance issues.
- facilitate the corporate governance and advise the Board and Management the best practices to maintain higher standard of corporate governance

13. Board Committees

13.1 The Board reserves the right to establish Committees from time to time in the discharge of its duties and responsibilities.

13.2 Where a Committee is formed, specific terms of reference of the Committee would be established to serve as a guidance note which covers matters such as the purpose, composition and functions of the Committee.

13.3 A number of standing committees with written terms of reference has been established namely the following:

a) **Audit Committee**

Audit Committee assists in providing oversight on the Group's financial reporting, disclosure, regulatory compliance, risk management and monitoring of internal control processes within the Group. The Audit Committee reviews the quarterly financial results, unaudited and audited financial statements, internal and external audit reports as well as related party transactions. The Audit Committee also reviews the risk management framework, processes and reports to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks. The Audit Committee sets the risk appetite of the Group as well as ensures that appropriate risk management processes are in place and applied.

b) **Nomination Committee**

The Nomination Committee oversees matters relating to the nomination of new Directors, annually reviews the required mix of skills, experience and other requisite qualities of Directors as well as the annual assessment of the performance and effectiveness of the Board as a whole, its Committees and the contribution of each



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individual Director as well as identify candidates to fill board vacancies, and nominating them for approval by the Board.

c) Remuneration Committee

The Remuneration Committee is primarily responsible for recommending to the Board the remuneration packages of Executive Directors, Non-Executive Directors and Senior Management in all its forms, drawing from outside advice if necessary. The remuneration of Executive Directors shall be recommended by the Remuneration Committee with the individual Director concerned abstaining from discussing his individual remuneration. The amount of remuneration payable shall be determined with reference to corporate and individual performance of Executive Directors.

d) Sustainability Committee

The Sustainability Committee assists the Board in reviewing policies and practices relating to Environmental, Social and Governance and Sustainable practices in accordance with applicable law.

Although the Board has granted discretionary authority to these committees to deliberate and decide on certain operational matters as set out in their respective Terms of Reference, the ultimate responsibility for final decision on all matters lies with the Board.

14. Remuneration levels of Directors and Senior Management

- 14.1 The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors and Senior Management needed to run the Company successfully taking into consideration all relevant factors including the function, workload and responsibilities involved, but without paying more than is necessary to achieve this goal.
- 14.2 The level of remuneration for the CEO, Executive Director and Senior Management is recommended by the Remuneration Committee to the Board after giving due consideration to the compensation levels for comparable positions among other similar Malaysian public listed companies.
- 14.3 In fixing the remuneration to be paid to Directors who are not employees of the Group for serving on the Board and on Committees of the Board, the Board will consider the following:



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- The compensation that is paid to Directors of other companies which are comparable in size to the Group.
- The amount of time it is likely Directors will be required to devote in preparing for and attending meetings of the Board and the Committees on which they serve.
- The success of the Company (which may be reflected in compensation related to the price of the Company's shares).
- If a Committee on which a Director serves undertakes a special assignment, the importance of that special assignment to the Group and its shareholders.
- The risks involved in serving as a Director and a member of Board Committees.

14.4 Fees payable to non-executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.

15. Accountability and Audit

15.1 Financial Reporting

- 15.1.1 The Board aims to present a clear and balanced assessment of the Group's financial position and future prospects that extends to the annual and quarterly reports.
- 15.1.2 The Board ensures that the annual and interim financial statements are prepared so as to give a true and fair view of the current financial status of the Group in accordance with the approved accounting standards.

15.2 Company Auditors

- 15.2.1 The Board has established formal and transparent arrangement for considering how financial reporting and internal control principles will be applied and for maintaining an appropriate relationship with the Company auditors through the Audit Committee.
- 15.2.2 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 Audit Committee ensures that the Company auditors do not supply a substantial volume of non-audit services to the Company and any practice that departs from this has to be disclosed in the Audit Committee Report.



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15.3 Internal Controls and Risk Management

- 15.3.1 The Board has overall responsibility maintaining a system of internal controls, which provides reasonable assurance of effective and efficient operations and compliance with laws and regulations as well as with internal policies and procedures.
- 15.3.2 The Company has a well-resourced internal audit function, which critically reviews all aspects of the Company's activities and its internal controls. Comprehensive audits of the practices, procedures, expenditure and internal controls of all business and support units and subsidiaries are undertaken on a regular basis. The outsourced internal auditors has direct access to the Board through the Chairman of the Audit Committee.
- 15.3.3 The Board ensures the system of internal controls is reviewed on a regular basis by the Audit Committee.
- 15.3.4 The Audit Committee receives reports regarding the outcome of such reviews on a regular basis.

16. The Board's Relationship with Shareholders and Stakeholders

- 16.1 The Board shall maintain an effective communications policy that enables both the Board and Management to communicate effectively with its shareholders, stakeholders and the general public.
- 16.2 It is the role of the Board to ensure that the general meetings of the Company are conducted in an efficient manner and serves as a crucial mechanism in shareholder communications. Key ingredients behind this include the supply of comprehensive and timely information to shareholders and the encouragement of active participation at the general meetings.
- 16.3 The Board will focus its efforts on the following best practices to enhance the effectiveness of the general meeting:
- ensure that each item of special business included in the notice to be accompanied by a full explanation of the effects of the proposed resolution;
 - for election and re-election of Directors, ensures that the notice of meeting state which Directors are standing for election with a brief



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description to include matters such as age, relevant experience, list of directorships, date of appointment to the Board, details of participation in board committee and the fact that a particular Director is independent;

- ensure that the Chairman provides reasonable time for discussion at the meeting. Where appropriate and if required, the Chairman will also undertake to provide written answer to any significant question which cannot be answered immediately;
- conduct a business presentation with a question and answer session, where appropriate and if required;
- ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the Board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders will be made visible to all meeting participants during the meeting itself; and
- ensure minutes of general meeting published on Company's website no later than 30 business days after general meeting.

16.4 The CEO shall take responsibility for communicating and addressing queries from shareholders, stakeholders, analysts and press at all times. Having said that, the chair of respective committees shall also provide meaningful response to questions addressed to them at general meeting.

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

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

16.7 The Group's website, <http://pmbtechnology.com/>, provides easy access to corporate information pertaining to the Group and its activities and is continuously updated.

17. Induction Process

17.1 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



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development in the market place pertaining to the oversight function of Directors. This will enable the Directors to discharge their duties and responsibilities effectively.

- 17.2 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;
 - PMBT Group's code of conduct;
 - PMBT Group's Anti-Bribery and Anti-Corruption Policy;
 - 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.

18. Directors' External Commitments and Conflict of Interest

- 18.1 The Company's Constitution stipulate that a Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare his interest in accordance with the provisions of the Companies Act 2016. The Director concerned shall not participate in deliberations and shall abstain himself from voting in any matter arising thereof.
- 18.2 Should there be an actual, potential or perceived conflict of interest between the Company or a related corporation and a Director, or an associate of a Director such as a spouse or other family members, or a related company, the Director involved shall make full disclosure and act honestly in the best interest of the Company.
- 18.3 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.
- 18.4 For the purpose of the above-mentioned paragraphs, the directors shall perform an annual self-declaration on independence (in respect of those who are Independent Directors) and conflict of interest for the Group's records.



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19. Indemnities and insurance

19.1. The Company shall provide directors with, and will pay the premiums for, indemnity and insurance cover while acting in their capacities as directors.

20. Directors' training

20.1 Directors are required to undergo the mandatory accreditation programme under the auspices of Bursa Malaysia Securities Berhad. In addition, Directors are required to attend relevant training courses or seminars at periodic intervals to keep themselves updated on developments pertaining to the oversight function of Directors as well as technical matters, for example, financial reporting standards, tax, budgets, etc. The Nomination Committee shall decide on the continuous education training programme for Directors.

20.2 All trainings attended by Directors shall be disclosed in the Annual Report. In special circumstances, valid justifications for non-attendance at any training by Directors for the financial year shall also be disclosed.

21. Whistle-Blowing Policy

To enhance corporate governance practices across the Group, a whistle-blowing policy was adopted which provides Directors, officers, employees and stakeholders of the Group with an avenue to report suspected improprieties such as illegal or unlawful conduct, contravention of the Group's policies and procedures, acts endangering the health or safety of any individual, public or employee, and any act of concealment of improprieties.

The aim of this policy is to encourage the reporting of such matters in good faith, with the confidence that the person filing the report, to the extent possible, be protected from reprisal, victimisation, harassment or subsequent discrimination.

22. Anti-Bribery and Anti-Corruption Policy

The Board shall ensure a sustainable anti-corruption and anti-bribery programme be implemented in the Company, which includes compliance with the Anti-Bribery and Anti-Corruption Policy and assign adequate resources to implement the said programme.



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23. Code of Ethics

The Board shall formalise and commit to ethical values through the maintenance of a code of ethics and ensure the implementation and compliance with the code of ethics.

24. Review and Approval

This Charter and all Board Committee Charters and Policies shall be periodically reviewed and updated based on the prevailing regulatory promulgations. This Charter may be amended by the Board as it deems appropriate to ensure its relevance and effectiveness.

This Charter is reviewed and approved by the Board of Directors on 27 May 2022.