

BOARD CHARTER

1. INTRODUCTION

The Directors of Cabnet Holdings Berhad (“Cabnet”) regard Corporate Governance as vital to the success of Cabnet's business and are unreservedly committed to applying the principles necessary to ensure that the following aspects of good governance are practised in all of its business dealings in respect of the Company’s shareholders and relevant stakeholders:

- The Board is the focal point of the Company’s Corporate Governance system. It is ultimately accountable and responsible for the performance and affairs of the Company, including the oversight of subsidiaries’ operations;
- All Board members are expected to act in a professional manner, thereby upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities;
- All Board members are responsible to the Company for achieving a high level of good governance; and
- This Board Charter, which summarises the key duties and responsibilities of each Director, is not exhaustive in nature. Directors are bound by statutes which are pronounced by the relevant authorities from time to time.

2. OBJECTIVE

The objectives of this Board Charter are to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members and the various legislations and regulations affecting their conduct and that the principles and best practices of Corporate Governance are applied in all their dealings in respect, and on behalf of, the Company.

The Charter ensures that the Cabnet Group has appropriate corporate governance structures aimed at creating and protecting shareholders’ value and serves as a reference source and primary induction literature to assist existing members and new members of the Board in the performance of their duties as Directors. It also serves as a reference in the annual assessment of the Board’s performance, the performance of its committees and of its Individual Directors.

3. THE BOARD

3.1 Role

3.1.1 The Board is charged with leading and managing the Company in an effective and responsible manner. Each Director has a legal duty to act in the best interest of the Company. The Directors, collectively and individually, are aware of their responsibilities to shareholders and stakeholders for the manner in which the affairs of the Company are managed. The Board sets the Company’s values and standards and ensures that its obligations to the Company’s shareholders and stakeholders are understood and met.

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- 3.1.2 The Board understands that the responsibility for good Corporate Governance rests with the Directors and, therefore, strives to apply the principles and best practices stated in the Malaysian Code of Corporate Governance 2017 (“MCCG”).

The Board includes an overview statement in its Company’s Annual Report on the extent of compliance with promulgations of the MCCG pursuant to Rule 15.25 of the Bursa Malaysia’s ACE Market Listing Requirements (“ACE LR”):

- (i) A listed corporation must ensure that its board of directors provides an overview of the application of the Principles set out in the MCCG, in its annual report.
- (ii) In addition, the listed corporation must disclose the application of each Practice set out in the MCCG during the financial year, to the Exchange in a prescribed format and announce the same together with the announcement of the annual report. The listed corporation must state in its annual report, the designated website link or address where such disclosure may be downloaded.

- 3.1.3 The Board will have at least four (4) board meetings annually to meet in person and to facilitate and discharge their responsibilities. Members of Management who are not Directors may be invited to attend and speak at the said meetings on matters relating to their scope of responsibilities.

At least seven (7) days’ notice of a meeting of the Board shall be given to all Directors in writing at his last known address or other address included by way of electronic means given by him for the purpose. 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 Directors.

- 3.1.4 The duties of the Board includes establishing the corporate vision and mission, as well as the philosophy of the Company, setting the goals for Management and monitoring the performance of Management.

- 3.1.5 The Board assumes the following specific duties including but not limited to those expounded under Guidance 1.1 of the MCCG:

- a) Reviewing and adopting the strategic plan of the Company;
- b) Overseeing and evaluating the conduct of the Company’s business;
- c) Promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;
- d) Identifying principal risks and ensure that the risks are properly managed;
- e) Set the risk appetite within which the Board expects Management to operate, and ensure that there is an appropriate risk management framework
- f) Establishing succession planning;

- g) Approve the nomination, selection, succession policies, and remuneration packages for the Board members, Board Committee members including managing succession planning, appointing, training, fixing the compensation of, and where appropriate replacing senior management or key management personnel;
- h) Developing and implementing an investors relations programme or stakeholder communication policy; and
- i) Reviewing the adequacy and integrity of the Company's internal control systems and management information systems including compliance with applicable laws and regulations.
- j) Review and approve the Financial Statements encompassing annual audited accounts and quarterly reports, credit facilities from financial institutions and guarantees;
- k) Prepare a Corporate Governance Statement/Report on compliance with the MCCG for the Annual Report;
- l) Carry out or perform such other functions necessary for the discharge of its fiduciary duties under the relevant laws, rules and regulations.

3.2 Composition and Board Balance

- 3.2.1 The Board consists of qualified individuals with diverse experiences, backgrounds and perspectives relevant to the requirements of the Company. The composition and size of the Board is such that it facilitates the making of informed and critical decisions.
- 3.2.2 At any one time, at least two (2) or one-third (1/3) of the board of directors, whichever is higher, are Independent Directors.
- 3.2.3 The updated profiles of Board members are included in the Annual Report of the Company. Directors are responsible for the accuracy of their respective profiles.
- 3.2.4 The size and balance of the Board is determined by the Board with the assistance of a Nomination Committee ("NC") during its review and evaluation carried out annually.
- 3.2.5 The Chief Executive Officer and the Executive Director(s) are the "Executive" Directors on the Board. However, the view of Management are represented at meetings of the Board by the presence of senior executives when required.
- 3.2.6 The Independent Directors provide independent judgement, experience and objectivity without being subordinated to operational considerations.
- 3.2.7 The Independent Directors help to ensure that the interests of all shareholders and not only the interests of a particular faction or group, are taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board. The views of the Independent Directors should carry significant weight in the Board's decision-making process.

- 3.2.8 If, on any matter discussed at a Board meeting, any Director holds view contrary to those of any of the directors, the Board minutes would clearly reflect this including the rationale for the stand taken.

3.3 Appointments

- 3.3.1 The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the Nomination Committee. In line with the Recommendations of MCCG, it is the Board's policy to keep the positions of Chairman and Chief Executive Officer distinct and held by separate individuals to ensure a balance of power and authority in the Board.

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

- 3.3.3 New Directors are expected to have such expertise so as to qualify them to make a positive contribution to the Board performance of its duties and to give sufficient time and attention to the affairs of the Company.

- 3.3.4 The Company Secretary has the responsibility of ensuring that relevant procedures relating to the appointments of new Directors are properly executed.

- 3.3.5 Upon the appointment of a new Director, the Director will be provided with appropriate corporate documents, up-to-date corporate governance materials including Board policies and procedures, terms of reference, relevant literature issued by the relevant regulatory authorities to assist the said Director to carry out his duties and responsibilities.

An induction programme tailored to suit his orientation and introduction to the Board's procedures will be provided with full access to the Company Secretary and Management for any additional information or materials required.

- 3.3.6 The Board members shall attend educational / training programmes as recommended by the Nomination Committee to update themselves in relation to new developments pertaining to the laws and regulations and changing commercial risks which may affect the Board and/or the Company.

3.4 Re-election

- 3.4.1 All Directors will be subjected to retirement by rotation at each Annual General Meeting provided that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.

3.5 Disqualification or Vacation of Office

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

- (a) becomes disqualified from being a Director under Sections 198 or 199 of the Companies Act 2016 (“CA 2016”);
- (b) ceases to be or is prohibited from being a Director by virtue of the CA 2016 or the Securities Laws or the ACE LR;
- (c) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001;
- (d) dies;
- (e) resigns his office by notice in writing to the Company and deposited at the registered office.
- (f) is removed from his office as Director by ordinary resolution of the Company in a meeting of shareholders of which special notice has been given in accordance with Section 206(3) of the CA 2016.

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

3.6 Supply of Information

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

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

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

3.6.4 Any Board member may take such independent legal, financial or other advice as they may consider necessary, at Cabnet’s cost and expense. Any Director seeking such independent advice must first discuss the request with the Chairman or the Chief Executive Officer, who must then agree and approve of this course of action and will facilitate obtaining such advice and, where appropriate, disseminate the advice to all Directors.

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

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

4. CHAIRMAN AND CHIEF EXECUTIVE OFFICER (CEO)

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

4.1 Chairman of the Board

4.1.1 The Chairman is responsible for leadership of the Board and ensuring the effectiveness of the Board. The Chairman is responsible for:

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

4.1.2 The Chairman, in consultation with the CEO and the Company Secretary, sets the agenda for Board meetings and ensures that all relevant issues are on the agenda and providing the information to Directors on timely basis.

4.1.3 The Chairman is responsible for managing the business of the Board to ensure that:

- a) all Directors are properly briefed on issues arising at Board meetings;
- b) sufficient time is allowed for the discussion of complex or contentious issues and, where appropriate, arranging for informal meetings beforehand to enable thorough preparation for the Board discussion; and
- c) the issues discussed are forward looking and concentrate on strategy.

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

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

4.1.6 The Chairman will have no casting vote if two (2) Directors form a quorum, or if there are only two (2) Directors competent to vote on the question at issue.

4.2 Chief Executive Officer (CEO)

4.2.1 The CEO is the conduit between the Board and the Management in ensuring the success of the Company's governance and management functions.

4.2.2 The CEO has the executive responsibility for the day-to-day operation of the Company's business.

- 4.2.3 The CEO implements the policies, strategies and decisions adopted by the Board.
- 4.2.4 All Board authorities conferred on the Management is delegated through the CEO and this will be considered as the CEO's authority and accountability as far as the Board is concerned.

5. EXECUTIVE DIRECTORS

- 5.1 The Executive Directors are appointed by the Board of Directors and is subject to the control of the Board. The Executive Directors are responsible for the day to day management of the Cabnet Group with all powers, discretions and delegations authorised from time to time by the Board.
- 5.2 The Executive Director's primary responsibilities include :
- Overall responsibility over the business units and day to day management of the Group, organisational effectiveness and implementation of Board policies, strategies and decisions.
 - The development (in conjunction with the Board) and implementation of short, medium and long-term corporate strategies for the Group, preparing business plans and reports with senior management and reporting/presenting to the Board on current and future initiatives.
 - Providing leadership, supervision and control in managing a team of senior management executives responsible for all functions contributing to the success of the Group.
 - Overseeing 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 a timely manner.
 - Overseeing shareholders' communications.
 - Appointing and, where appropriate, removing senior executives, including the Chief Financial Officer and the Company Secretary, with the approval of the Board.
 - Evaluating the performance of senior management executives.
 - Oversee that the objectives and standards of performance of the Company are understood by the Management and employees.
 - Oversee that the operational planning and control systems are in place.
 - Monitoring performance results against plan/budgets.
 - Taking remedial actions, where necessary.
 - Oversee that the Group's Financial Reports are drawn up in accordance with the relevant accounting standards and complies with all requirements of ACE LR.
 - Directing and monitoring all aspects of the business operations in a cost effective manner.
 - Effectively oversees the human resource needs of the Group and key positions in the Group's management structures, including succession planning and talent retention are adequately addressed.

- Oversee the Group's corporate identity, products and services are of acceptable standards and reflective of the market environment in which the Group operates in.
- Assists the Chairman in providing quality and timely information flows to the Board for establishing the agenda for Board and Committee meetings

In discharging their responsibilities, the Executive Directors can delegate and assign appropriate functions and responsibilities to the senior management personnel while retaining overall control and responsibility.

6. INDIVIDUAL BOARD MEMBERS

The roles and responsibilities of Individual Board Members include:

- To observe the provisions, regulations, guidelines and other relevant requirements under the Company's Constitution, the Companies Act, 2016, the ACE LR, the Securities Commission and Capital Market Securities Act, 2007 and such other applicable statutes, and to maintain confidentiality on the use of the Company's information.
- Responsibility to inform the Board of any other directorships in listed Company/subsidiaries of listed issuers.
- Attendance of Continuing Education Programme which are relevant to the Company's operations and business.
- Review, adoption and monitoring of strategic plans/directions for the Company.
- Review and adoption of Corporate objectives of Company.
- Oversee the resources and operational conduct of the Company's businesses.
- Identify principal risks of the Company and the implementation of appropriate internal controls and mitigation measures.
- Oversee succession planning for Senior Management.
- Oversee the development and implementation of a stakeholders' communication policy for the Company.
- Review the adequacy and integrity of the Group's internal control systems and information management systems.

7. INDEPENDENCE OF DIRECTORS

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 Malaysia.

Cabinet's Board does not believe that it is practically possible to list down all the criteria which are appropriate to characterise in all circumstances, the independence of a Director. 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 Board immediately if he/she believes they may no longer be independent. Should the Chairman or any other Director have any concern about the Independence of a Director, he/she must immediately raise the issue with that Director during a Board Meeting.

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

8. BOARD COMMITTEES

The Board delegates certain responsibilities to the following Board Committees with clearly defined terms of reference to assist the Board in discharging its responsibilities:-

8.1 Audit and Risk Management Committee (“ARMC”)

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

8.2 Nomination Committee (“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. FINANCIAL REPORTING

9.1 Transparency

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

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

9.1.3 The Company's practice is to announce to Bursa Securities its quarterly financial results as early as possible within two (2) months after the end of each quarterly financial period.

9.1.4 The Auditors Report shall contain a statement from the Auditors explaining their responsibility in forming an independent opinion, based on their audit, of the financial statements.

9.2 Company Auditors

- 9.2.1 The Board has established formal and transparent arrangements for considering how financial reporting and internal control principles will be applied and for maintaining an appropriate relationship with the Company Auditors through its ARMC.
- 9.2.2 The ARMC also keeps under review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the Company Auditors. The Company ensures that the Company Auditors do not perform or undertake a substantial volume of non-audit services to the Company.
- 9.2.3 Appointment of the Company Auditors is subject to approval of shareholders at General Meetings. The Company Auditors have to retire during the AGM every year and be re-appointed by shareholders for the ensuing year.

9.3 Internal Controls

- 9.3.1 The Company outsourced its internal audit function to a professional services firm, to assist the Board and ARMC in providing an independent assessment on the adequacy, efficiency and effectiveness of the internal control system.
- 9.3.2 The Board and the ARMC will review the internal audit plan every year and the system of internal controls is reviewed on a regular basis.
- 9.3.3 The outsourced internal audit function is reporting to the ARMC directly regarding the outcome of such reviews on a regular basis.

10. GENERAL MEETINGS

10.1 Annual General Meetings (AGM)

- 10.1.1 The Company regards the AGM as an important event in the corporate calendar of which all Directors and key senior executives should attend.
- 10.1.2 The Company regards the AGM as the principal forum for dialogue with shareholders and aims to ensure that the AGM provides an important opportunity for effective communication with, and constructive feedback from, the Company's shareholders.
- 10.1.3 The Chairman encourages active participation by the shareholders during the AGM.
- 10.1.4 The Chairman and, where appropriate, the CEO responds to shareholders' queries during the meeting. Where necessary, the Chairman will undertake to provide a written answer to any significant question that cannot be readily answered at the meeting.

10.2 Extraordinary General Meeting (EGM)

- 10.2.1 The Directors will consider requisitions by shareholders to convene an EGM or any other urgent matters requiring immediate attention of the Company.

11. INVESTOR RELATION AND SHAREHOLDER COMMUNICATION

- 11.1 The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company and as such adopts an open and transparent policy in respect of its relationship with its shareholders and investors
- 11.2 The Board ensures the timely release of financial results on a quarterly basis to provide shareholders with an overview of the Company's performance and operations in addition to the various announcements made during the year.
- 11.3 The Board has adopted a Corporate Disclosure Policy which takes into consideration the Guidance set out under Bursa Malaysia's Corporate Disclosure Guide issued in September 2011.
- The Corporate Disclosure Policy aims to strengthen the Board's commitments to good corporate governance and ensure that all stakeholders are provided with comprehensive, accurate and quality information on a timely and even basis.
- The Corporate Disclosure Policy is set out as a Separate Document and is accessible on the Company's website : <https://www.cabnet.asia/corporate-governance>.
- 11.4 The Board has adopted a Stakeholders Communication Policy in respect of communicating with all stakeholders, including its shareholders.
- The Stakeholders Communication Policy is set out as a Separate Document and is accessible on the Company's website : <https://www.cabnet.asia/corporate-governance>.
- 11.5 The Company's website provides easy access to corporate information pertaining to the Company and its activities and is continuously updated.

12. RELATIONSHIP WITH OTHER STAKEHOLDERS

In the course of pursuing the vision and mission of the Company, the Board recognises that no Company can exist by maximising shareholders value alone. In this regards, the needs and interests of other stakeholders are also taken into consideration.

12.1 Employees

- 12.1.1 The Board acknowledges that the employees are invaluable assets of the Company and play a vital role in achieving the vision and mission of the Company.
- 12.1.2 The Company adopts comprehensive and documented policies and procedures with respect to the following:
- a) Occupational safety and health with the objective of providing a safe and healthy working environment for all employees; and
 - b) Industrial relations with the objective of managing employees' welfare and well-being in the workplace.

12.2 Environment

- 12.2.1 The Board acknowledges the need to safeguard and minimise the impact to the environment in the course of achieving the Company's vision and mission.
- 12.2.2 The Company adopts comprehensive and documented policies and procedures as part of its commitment to protect the environment and contribute towards sustainable development.
- 12.2.3 The Company supports initiatives on environmental issues.

12.3 Social Responsibility

- 12.3.1 The Board acknowledges that the Company should play a vital role in contributing towards the welfare of the community in which it operates.
- 12.3.2 The Company adopts comprehensive and documented policies and procedures towards responsible marketing and advertising of its products and services.
- 12.3.3 The Company supports charitable causes and initiatives on community development projects.

13. COMPANY SECRETARY

- 13.1 The Board appoints the Company Secretary, who plays an important advisory role, and ensures that the Company Secretary fulfils the functions for which he/she has been appointed.
- 13.2 The Company Secretary is accountable to the Board through the Chairman of the Board and Committees on all governance matters.
- 13.3 The Company Secretary is a central source of information and advice to the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company.
- 13.4 The Company Secretary should advise Directors of their obligations to adhere to matters relating to:
 - a) disclosure of interest in securities
 - b) disclosure of any conflict of interest in a transaction involving the Company
 - c) prohibition on dealing in securities
 - d) restrictions on disclosure of price-sensitive information.
- 13.5 The Company Secretary must keep abreast of, and inform, the Board of current governance practices.
- 13.6 The Board members have unlimited access to the professional advice and services of the Company Secretary.

14. APPLICATION

- 14.1 The principles set out in this Charter are:
- a) kept under review and updated as practices on Corporate Governance develop and further guidelines on Corporate Governance are issued by the relevant regulatory authorities;
 - b) applied in practice having regard to their spirit and general principles (i.e. in substance) rather than to the letter alone (i.e. form); and
- 14.2 The Board endeavours to comply at all times with the principles and practices set out in this Charter.
- 14.3 Any updates to the principles and practices set out in this Charter will be made available on the Company's website

This Board Charter was approved and adopted by the Board on 12 April 2016.

This Board Charter was last reviewed and revised on 25 February 2019.