



SEACERA GROUP BERHAD
[Registration No.: 198701005080 (163751-H)]

BOARD CHARTER

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INTRODUCTION

The Board of Directors (“the Board”) of SEACERA GROUP BERHAD (“Seacera or the Company”) is responsible to ensure that the highest standards of Corporate Governance throughout the Company and its subsidiaries (collectively, “the Group”) are practiced in all of the Group’s business dealings with its shareholders and relevant stakeholder.

PURPOSE

This Board Charter sets out the role, functions, composition, operation and processes of the Board to ensure that all Board members are aware of their duties and responsibilities as Board members. It further highlights the principles and practices of good Corporate Governance that must be applied in all their dealings with and on behalf of, the Company.

This Board Charter, together with Company’s Constitution acts as a source of reference to the Board in discharging its roles and responsibility effectively. It is not intended to replace nor serve as a substitute to the laws or other regulatory requirements of Malaysia. The Board Charter is thus guided and further subject to the Listing Requirements of Bursa Malaysia and the Malaysian Code on Corporate Governance, where relevant.

1) BOARD COMPOSITION

a) Composition and Size

The Board shall comprise of a mix of talent and skills in order to exercise full and effective control of the Company and plays an important role in defining the scope of corporate governance within it. The right composition will assist the Board to discharge of the following stewardship responsibilities:

- (i) Review and approve the Group’s medium and long term strategic and business plans;
- (ii) Oversee the conduct of the Group’s business operations and performance;
- (iii) Identify and effectively manage the principal risks affecting the Group;
- (iv) Review the adequacy and integrity of the Group’s management information, risk management and internal control systems;
- (v) Implement succession planning for business continuity; and
- (vi) Maintain effective communication with stakeholders including shareholders and the general public.

In accordance with the best practice in corporate governance and guideline prescribed in the Listing Requirement, the composition of the Board shall either be at least two (2) directors or one third (1/3) of the Board, whichever is higher, as independent directors or the Board shall consist of more than 50% as Independent Director. The earlier composition would be applied in case of the Chairman is a non-executive directors.

The Board is responsible to determine the appropriate size of the Board. The screening and evaluation process for potential new directors and directors to be nominated for re-election are delegated to the Nomination and Remuneration Committee (“NRC”).

On the appointment of new director, the new director is required to assure his/her continued time commitment to serve the existing Board before accepting his/ her appointment to the Board.

b) Board Committee

To assist the Board in discharging its duties and responsibilities, the following Board Committees with specific terms of reference are established:

- (i) NRC;
- (ii) Audit and Risk Management Committee; and
- (iii) Employees’ Share Option Scheme (“ESOS”) Committee.

c) Diversity

The Board understands that diversity on the Board is to achieve effective stewardship and management. Diversity includes ethnicity, gender and age distribution of the Directors in order to maintain a balanced Board composition. In this respect, the Board aims to achieve its target of 30% women directors on the Board.

d) Senior Independent Director

The Board shall also appoint from amongst its member an Independent Non-Executive Director to be called Senior Independent Director, to whom concerns from the other directors, public or investors may be conveyed. Inquiries or complaints about decisions or actions taken by the Group should be addressed to the Senior Independent Director.

2) ROLES AND RESPONSIBILITIES

a) Duties and Responsibilities

The Board is responsible for the proper stewardship of the Group. The Group is to ensure maximisation of shareholder’s value and safeguarding the stakeholders’ interest including securing sustainable long-term financial results and increasing shareholder value, with proper social and environmental considerations. Hence, the Board should collectively have sound and sufficient knowledge and expertise to enable effective governance and oversight.

The Board has the following major responsibilities, which facilitate the discharge of the Board’s fiduciary and leadership functions.

Key matters reserved for the collective decision of the Board include, but not limited to the following:

- (i) Approval of the Group’s Strategic Plan and Operational Plan;

- (ii) Approval of the Group's annual budget and amendments to that budget thereon;
- (iii) Approval of the Quarterly Unaudited Financial Statements, the Annual Report, and the Group and the subsidiaries' statutory audited accounts;
- (iv) Approval of any corporate exercise, not limited to acquisitions, mergers, divestures exercises;
- (v) Approval of all form of investments and capital expenditure in accordance the limits of authority;
- (vi) Approval of any interim and final dividend;
- (vii) Approval for the establishment of the Board Committees, their terms of reference (i.e. membership and authority), reviewing their activities and, where appropriate, ratifying their decisions;
- (viii) Approve the appointment or removal of the Company Secretary, External Auditors and Internal Auditors;
- (ix) Approve the succession planning of Group Chief Executive and/or Executive Directors of the Group and that of key management team;
- (x) Approval of remuneration and compensation packages for the Board of Directors and key management team;
- (xi) Approval of key policies and procedures and discretionary authority limits;
- (xii) Approval of any significant change in the accounting policies and practices; and
- (xiii) Approval of the Risk Management Framework, Risk Management Report and Internal Auditor Report for the Group.

b) Authority

The Board derives its authority to act from the Constitution of the Company and the law and regulations governing companies in Malaysia.

In addition, when required:

- (i) The Board has unrestricted and immediate access to Senior Management and all information on the affairs of the Group. At the request of the Board, Management is obliged to supply in a timely manner, all relevant information relating to the business, operations and governance of the Group, including information concerning customer satisfaction and survey quality, market share and market reaction to enable the Board to discharge its duties effectively.
- (ii) Members of the Board may collectively or individually seek external or independent professional advice and/or assistance from relevant experts in furtherance of their duties and at the Company's expense

3) CODE OF CONDUCTS AND ETHICS FOR DIRECTORS

The Directors are to maintain the highest degree of integrity and professionalism while at the same time promoting transparency and accountability in their actions.

Seacera has in place the "Code of Conducts and Ethics for Directors" which is formulated to enhance corporate governance and the standards of professional and ethical practices of Directors in Group. This document is available on Seacera's website at: www.seacera.com.my, Corporate Information > Corporate Governance.

4) BOARD EVALUATION AND PERFORMANCE

The Board has entrusted the NRC with the responsibility for carrying out the annual Board Evaluation and Performance (“BEP”).

The Board’s effectiveness is assessed in the areas of composition, administration, accountability and responsibility, conduct, and the performance of the Chairman and Chief Executive Officer (“CEO”). The Directors’ Self and Peer Assessment is intended to evaluate the mix of skills, experience and other relevant qualities the Directors bring to the Board, and takes into account the individual director’s ability to exercise independent judgement at all times and to contribute to the effective functioning of the Board. The Self and Peer Assessment process also examines the ability of each Board or Committee member to give material input at meetings and to demonstrate a high level of professionalism and integrity in the decision-making process.

The assessment results from the BEP form the basis of the NRC’s recommendation to the Board for the re-election and/or re- appointment of Directors and Board Committee members as well as for further development of the Board and Board Committees.

5) RETIREMENT, RE-ELECTION AND RE-APPOINTMENT

The NRC will review and assess the performance, contribution and independence of the Directors through the same process in determining the eligibility of the Directors to stand for re-election or reappointment [Paragraph 6 below], prior to recommending to the Board for decision on the proposed extension of the Director’s term of appointment.

6) DISQUALIFICATION OR VACATION OF OFFICE

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;
- b) Ceases to be or is prohibited from being a Director by virtue of the Companies Act 2016 or the Securities Laws or the Main Market Listing Requirement or Malaysian Code on Corporate Governance 2021;
- 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 Company Act.

7) MEETING PROCEEDING

The Board shall convene meetings at least four (4) times in a financial year. Additional meetings may be convened as and when necessary.

Appropriate key senior management personnel of the Group shall attend meetings on the invitation of the Board, where their presence is considered appropriate as determined by the Chairman or the Group Chief Executive.

The agenda of each scheduled Board meeting shall be circulated by the Company Secretary to all Board members at least seven (7) days prior to the meeting. Board meeting papers should be made available to all Board members at least seven (7) days prior to the meeting.

The agenda and Board meeting papers for Special Board meetings may be circulated to all Board members less than the prescribed seven (7) days prior to the meeting but as soon as practicable.

When arriving at decision, the Chairman shall seek a consensus in the Board but may, where considered necessary, call for a vote. The decision of the Board shall be by majority votes. In cases of equality of votes, the Chairman shall have a second or casting vote.

The minutes of meetings shall accurately record decisions taken and the views of individual Board Members, where appropriate. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

a) Role of Chairman

The Chairman represents the Board to the shareholders. The Chairman is responsible for ensuring the integrity and effectiveness of the governance processes of the Board and will consult with the Board promptly over any matter that gives him cause for major concern.

The Chairman will act as facilitator at meetings of the Board and ensure that no Board member, whether executive or non-executive, dominates the discussion, and that appropriate discussion takes place and that relevant opinion among Board members are forthcoming.

In the interest of the Company and under permitted circumstances, the Board shall exercise the separation of the positions of the Chairman and CEO/ MD/ GMD/ ED. This would provide good perception to the Company as it promotes accountability and facilitate division of responsibilities between the executive and non-executive functions.

The key roles and accountabilities of the Chairman include:

- Managing Board communications and Board effectiveness and effective supervision over Management;
- Creating conditions for good decision making during Board and shareholder meetings;
- Ensuring Board proceedings are in compliance with good conduct and best practices;

- Maintaining good contact and effective relationships with external parties, investing public, regulatory agencies and trade associations;
- Ensuring that quality information to facilitate decision-making is delivered to the Board on timely manner.

8) RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

The Board continuously ensures that the dissemination of material information is done to promulgate timeliness, clarity, completeness and accuracy in the disclosure of information, which in turn should enable shareholders and investors to make informed decisions.

The main forum for communication between the Board and its shareholders is the AGM of the Company.

Other formal channels of communication to shareholders and other external parties for the overall performance of the Company's business are:

- Annual report
- Public announcements
- Disclosures to the relevant authorities
- Company's website

Shareholders are invited to direct their queries and correspondence in writing to the Group Chief Executive or designated person in charge of communication via telephone, fax and email.

The Group Chief Executive or any staff delegated by him shall ensure that all enquiries are responded accordingly within reasonable timeframe.

9) REVIEW OF THE BOARD CHARTER

This Board Charter shall be reviewed and updated in accordance with the needs of the Company and upon any new regulation to be implemented.

This Board Charter is reviewed and approved by the Board of Directors of Seacera Group Berhad on 18 October 2023 and is effective immediately.