

**G3 GLOBAL BERHAD**  
Registration No. 200201002733 (570396-D)  
(Incorporated in Malaysia)

<b>BOARD CHARTER</b>
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**1. INTRODUCTION**

The Directors of G3 GLOBAL BERHAD ("G3") regard Corporate Governance as vitally important to the success of G3's business and are unreservedly committed to applying the principles necessary to ensure that the following principles of good governance is practised in all of its business dealings in respect of its 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.
- 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.
- This Board Charter shall constitute, and form, an integral part of each Director's duties and responsibilities.

**2. OBJECTIVES**

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 practices of good Corporate Governance are applied in all their dealings in respect, and on behalf of, the Company.

In pursuit of the ideals in this Board Charter, the intention is to exceed "minimum legal requirements" with due consideration to recognised standards of best practices locally and internationally.

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### **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 its shareholders and stakeholders are understood and met.
- 3.1.2 The Board understands that the responsibility for good Corporate Governance rests with them and therefore strives to follow the principles and best practices stated in the Malaysian Code of Corporate Governance ("MCCG"). The Board includes a narrative statement in its Company's Annual Report on the extent of compliance with the principles and best practices in Corporate Governance pursuant to Paragraph 15.25 of the Listing Requirements ("LR").
- 3.1.3 The Company complies with the various guidelines issued by Bursa Malaysia Securities Berhad ("Bursa Securities") and the Securities Commission Malaysia ("SC") relating to disclosure and internal audit functions.
- 3.1.4 Duties of the Board include establishing the corporate vision and mission, as well as the philosophy of the Company, setting the aims of the Management and monitoring the performance of the Management.
- 3.1.5 The Board assumes, amongst others, the following specific duties:
- a) Reviewing and adopting a strategic direction for the Company;
  - b) Overseeing the conduct of the Company's businesses;
  - c) Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures;
  - d) Reviewing the adequacy and the integrity of the management information and internal controls system of the Company.
  - e) Establishing a succession plan within the Group;
  - f) Overseeing the development and implementing of a shareholder communications policy for the company; and
  - g) Commits to the Group sustainability in evolving global environment, social and governance (ESG) aspect of business which underpins sustainability.

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3.1.6 The Board has established written procedures determining which issues require a decision of the full Board and which issues can be delegated to Board Committees or the Management.

3.1.7 The Board reserves full decision-making powers on the key matters reserved for Board's approval, including but not limited to the following matters:

- a) Strategic goals, strategic direction and significant policies for the Company;
- b) Major investments, major acquisition and disposals, new businesses, material agreements, corporate proposals, major capital expenditures, annual budgets and funding decisions;
- c) Material acquisitions and disposition of assets not in the ordinary course of business;
- d) Investments in capital projects;
- e) Annual and quarterly financial results;
- f) Conflict of interest issues relating to a substantial shareholder or a Director;
- g) Authority levels;
- h) Treasury policies;
- i) Risk management policies;
- j) Appointment and succession planning for Board, Managing Director and Key Senior Management;
- k) Approval of Board and Senior Management remuneration policies; and
- l) Key human resource issues.

3.1.8 The Board has established a procedure whereby the Directors, collectively or individually, may seek independent professional advice in furtherance of their duties at the Company's expense.

## **3.2 Board Meetings**

3.2.1 The Board shall meet on a quarterly basis, but in any event, not less than once in every three (3) months, or whenever deemed necessary.

3.2.2 Individual directors must attend at least 50% of the Board meetings held in each financial year or such other percentage as may be prescribed by the LR. Directors are expected to participate fully, and constructively in Board

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discussions and other activities and to bring the benefits of their particular knowledge, skills and abilities to the Board.

3.2.3 The board meetings shall be conducted pursuant to the Constitution of the Company, the Companies Act, relevant laws, guidelines and best governance practices.

3.2.4 Board discussions will be open and constructive, recognising that genuinely held differences in opinion could bring greater clarity and lead to better decisions. The Chairman will, nevertheless, seek a consensus of the Board may, where considered necessary, call for a vote.

3.2.5 The Board and Board Committees are also allowed to carry out the resolution by way of circulation.

3.2.6 The participation of the Director can be facilitated by means of video or telephone conferencing.

3.2.7 Head of the respective division units and relevant management personnel may be invited to attend to the Board Meetings.

3.2.8 All discussions and their records will remain confidential unless there is a specific direction from the Board to the contrary, or disclosure is required by law.

3.2.9 Directors are required to inform the Board of potential conflict of interest that may have in relation to particular items of business or transaction. Subject to provisions of relevant laws and guidelines, these Directors shall abstain from deliberation and determination of those matters.

### **3.3 Composition and Board Balance**

3.3.1 The Board consists of qualified individuals with diverse experiences, backgrounds and perspectives. The composition and size of the Board is such that it facilitates the making of informed and critical decisions.

3.3.2 In accordance with the LR, at least two (2) or one-third (1/3), whichever is higher, of the Board members are Independent Directors. The Board shall endeavor to achieve 50% Independent Directors.

3.3.3 Profiles of Board members are included in the Annual Report of the Company.

3.3.4 The Independent Directors provide independent judgement, experience and objectivity without being subordinated to operational considerations.

3.3.5 The Independent Directors help to ensure that the interests of all shareholders, and not only the interests of a particular fraction or group, are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.

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- 3.3.6 The views of the Independent Directors should carry significant weight in the Board's decision-making process.
- 3.3.7 The Board may appoint a Senior Independent Director to whom shareholders' concerns can be conveyed if there are reasons that contact through the normal channels of the Chairman or the Executive Directors have failed to resolve them. The Senior Independent Director chairs the meetings between the Non-Executive Directors where both the Chairman and Executive Directors do not attend.
- 3.3.8 If, on any matter discussed at a Board meeting, any Director holds views contrary to those of any of the other Directors, the Board minutes will clearly reflect this.
- 3.3.9 The positions of Chairman of the Board and Managing Director should be held by different individuals.
- 3.3.10 Where appropriate, the Chairman of the Board should not be the chairman/member of the Board Committees.
- 3.3.11 The Board shall endeavor to achieve 30% female Directors.

**3.4 Appointments**

- 3.4.1 The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the Nomination Committee.
- 3.4.2 All nominations of candidates for the positions of Director must be submitted to the Nomination Committee for consideration. The Nomination Committee shall review base on the Directors Fit and Proper Policy of the Company.
- 3.4.3 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. The selection of a candidate for the Board shall be based on their capabilities, expertise and experience and other qualities in meeting the needs of the Group regardless of gender.
- 3.4.4 The Company Secretary has the responsibility of ensuring that relevant procedures relating to the appointments of new Directors are properly executed.
- 3.4.5 Upon the appointment of a new Director, the Company Secretary advises the Director of his/her principal duties and responsibilities and explains the restrictions to which he or she is subject to in relation to price-sensitive information and dealings in the Company's securities. Thereafter, all Directors are provided with appropriate briefings on the Company's affairs and up-to-date Corporate Governance materials published by the relevant

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bodies.

- 3.4.6 The Company has adopted an induction programme for newly appointed Directors. The induction programme aims at communicating to the newly appointed Directors, the Company's vision and mission, its philosophy and nature of business, current issues within the Company, the corporate strategy and the expectations of the Company concerning input from Directors. The Company Secretary is primarily responsible for the induction programme with appropriate assistance from other senior Executive Directors.
- 3.4.7 The Company has adopted educational / training programmes to update the Board in relation to new developments pertaining to the laws and regulations and changing commercial risks which may affect the Board and/or the Company.
- 3.4.8 In addition to the Mandatory Accredited Programme (MAP) as required by the Bursa Securities, Board members are also encouraged to attend training programmes conducted by highly competent professionals and which are relevant to the Company's operations and business. The Board will assess the training needs of the Directors and disclose in the Annual Report the trainings attended by the Directors.
- 3.4.9 The directorships held by any Board member at any one time shall not exceed five (5) in listed companies.
- 3.4.10 Executive Directors should not take on more than one (1) non-executive directorship, and no individual should chair the Board of more than one (1) major Company outside the Group.

### **3.5 Re-election**

- 3.5.1 All Directors are subject to retirement by rotation in accordance to the Constitution of the Company, the Companies Act, relevant laws and guidelines.

### **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 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 A full agenda and comprehensive Board papers are circulated to all Directors

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well in advance of each Board meeting.

3.6.4 Amongst others, the Board papers include the following:

- a) Quarterly financial report and report on the Company's cash and borrowing positions;
- b) A current review of the operations of the Company;
- c) Minutes of meetings of all Committees of the Board;
- d) Internal Audit Report; and
- e) Directors' share-dealings.

3.6.5 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. POSITION DESCRIPTION**

##### **4.1 Chairman**

4.1.1 The Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role. 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 Executive Directors and the Company Secretary, sets the agenda for Board meetings and ensures that all relevant issues are on the agenda.

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

- all Directors are properly briefed on issues arising at Board meetings.
- 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.
- the issues discussed are forward looking and concentrates 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 In the case of an equality of votes, the Chairman of the Board meeting shall have a second or casting vote. However, 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 Managing Director**

4.2.1 The responsibilities of the Managing Director include:

- (a) Manage the Company and Group's operation and resources.
- (b) Propose strategic plans/business plans/proposals for adoption by the Board.
- (c) Ensure that Board's decisions are implemented.
- (d) Ensure the Company and Group's vision, management philosophy and business strategy are effectively understood and applied by Management and employees.
- (e) Provide strong leadership to lead the Management Team.
- (f) Ensure the establishment of a clear management structure with appropriately delegated responsibilities.

## **4.3 Executive Directors**

4.3.1 The Executive Directors are the conduit between the Board and the Management in ensuring the success of the Company's governance and management functions.

4.3.2 The Executive Directors have the executive responsibility for the day-to-day operation of the Company's business.

4.3.3 The Executive Directors implement the policies, strategies and decisions adopted by the Board.

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4.3.4 All Board authorities conferred on the Management is delegated through the Executive Directors.

#### **4.4 Independent Non-Executive Directors**

4.4.1 The Independent Non-Executive Directors should provide and enhance the necessary independent judgement and objectivity to the Board, and ensure effective checks and balances on the Board.

4.4.2 They should constructively challenge and contribute to the development of business strategy and direction of the Company;

4.4.3 Ensure that the interest of the shareholders are taken into account by the Board in its decision-making.

#### **4.5 Non-Independent Non-Executive Directors**

4.5.1 The Non-Independent Non-Executive Directors should constructively challenge and contribute to the development of business strategy and direction of the Company.

### **5. BOARD COMMITTEES**

5.1 The Board appoints the following Board Committees with specific terms of reference:

- Audit Committee
- Nominating Committee
- Remuneration Committee
- Risk Management Committee

Independent and Non-Executive Directors play a leading role in these Committees. The Management and third parties are co-opted to the Committees as and when required.

5.2 The Committees shall operate under clearly defined Terms of Reference and scope of work. The Committees are authorised by the Board to deal with and deliberate on matters delegated to them within their Terms of Reference. The Chairman of the respective Committees reports to the Board on the outcome of the Committee meetings.

### **6. REMUNERATION LEVELS OF DIRECTORS**

6.1 The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors 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.

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- 6.2 The level of remuneration for Director is recommended by the Remuneration Committee in accordance with the Company's Constitution, and after giving due consideration to the Directors' performance and the compensation levels for comparable positions among other similar industry.
- 6.3 The level of remuneration for the Executive Directors is determined by the Remuneration Committee based on the performance of the Group and the Company and the achievement of the goals, including quantified organisational targets, key performance indicators and personal achievement, after giving due consideration to the compensation levels for comparable positions among other similar Malaysian public listed companies.
- 6.4 The remuneration of Non-Executive Directors should reflect the contribution and level of responsibilities undertaken by them.
- 6.5 Non-Executive Directors are entitled to participate in the Company's Employee Share Options Scheme (ESOS) subject to approval at a General Meeting. Non-Executive Directors who participated in the ESOS are prohibited to sell, transfer or assign the shares within one (1) year from the date of offer of such options.
- 6.6 There is adequate disclosure in the Annual Report with a note on the remuneration of Directors.

## **7. FINANCIAL REPORTING**

### **7.1 Transparency**

- 7.1.1 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.
- 7.1.2 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.
- 7.1.3 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.
- 7.1.4 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.

### **7.2 Company Auditors**

- 7.2.1 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

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Auditors through its Audit Committee.

- 7.2.2 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 Company ensures that the Company Auditors do not supply a substantial volume of non-audit services to the Company.
- 7.2.3 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 as Auditors of the Company until the conclusion of the next AGM.

### **7.3 Internal Controls and Risk Management**

- 7.3.1 The Company has an 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 Internal Auditor has direct access to the Board through the Chairman of the Audit Committee.
- 7.3.2 The Board ensures the system of internal controls is reviewed on a regular basis.
- 7.3.3 The Audit Committee receives reports regarding the outcome of such reviews on a regular basis.

## **8. GENERAL MEETINGS**

### **8.1 Annual General Meeting (AGM)**

- 8.1.1 The Company regards general meeting and AGM as an important event in the corporate calendar of which all Directors and key senior executives should attend.
- 8.1.2 General Meeting and AGM should be conducted in accordance with the Company's Constitution, Companies Act 2016, Listing Requirements and good governance practices.
- 8.1.3 The Company regards the general meeting and 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.
- 8.1.4 The Chairman encourages active participation by the shareholders during the general meeting and AGM.
- 8.1.5 The Company ensure leveraging on technology to facilitate remote shareholders' participation at the general meetings and AGM, and voting

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including voting in absentia.

- 8.1.6 The Board must ensure that the conduct of a virtual general meeting and AGM (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders.
- 8.1.7 The Chairman of the Board should ensure that general meetings and AGM support meaningful engagement between the Board, Senior Management and shareholders.
- 8.1.8 The Chairman and, where appropriate, the Executive Directors 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.

## **8.2 Extraordinary General Meeting (EGM)**

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

## **9. INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION**

- 9.1 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.
- 9.2 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.
- 9.3 The Company conducts dialogues with financial analysts from time to time as a means of effective communication that enables the Board and Management to convey information relating to the Company's performance, corporate strategy and other matters affecting shareholders' interests.
- 9.4 The Company's website provides easy access to corporate information pertaining to the Company and its activities and is continuously updated.

## **10. 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.

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## **10.1 Employees**

- 10.1.1 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.
- 10.1.2 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.

## **10.2 Environment**

- 10.2.1 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.
- 10.2.2 The Company adopts comprehensive and documented policies and procedures as part of its commitment to protect the environment and contribute towards sustainable development.
- 10.2.3 The Company supports initiatives on environmental issues.

## **10.3 Social Responsibility**

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

## **10.4 Corporate sustainability**

- 10.4.1 The Board together with Management takes responsibility for the governance of sustainability in the Group and the Company and adopt various measures and good practices to promote sustainability.

## **11 COMPANY SECRETARY**

- 11.1 The Board appoints the Company Secretary, who plays an important advisory role, and ensures that the Company Secretary fulfils the functions

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for which he/she has been appointed.

- 11.2 The Company Secretary is accountable to the Board through the Chairman of the Board and Committees on all governance matters.
- 11.3 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.
- 11.4 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.
- 11.5 The Company Secretary must keep abreast of, and inform, the Board of current governance practices.
- 11.6 The Board members have unlimited access to the professional advice and services of the Company Secretary.

## **12. APPLICATION**

- 12.1 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 rather than to the letter alone; and
  - c) summarised in the Annual Report as part of a narrative statement by the Directors on Corporate Governance.
- 12.2 The Board endeavours to comply at all times with the principles and practices set out in this Charter.
- 12.3 Any updates to the principles and practices set out in this Charter will be made available on the Company's website.

Date: 25/2/22  
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