



## **APEX EQUITY HOLDINGS BERHAD**

[Company No.: 199001016563 (208232-A)]

# **BOARD CHARTER**

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## PART A – INTRODUCTION

### 1. Objectives

The Board of Directors (“Board”) of Apex Equity Holdings Berhad (“Apex” or “the Company”) recognizes that good corporate governance practices are imperative and the core of any organization. Corporate governance practices set the parameters of governance and reinforce stakeholders’ confidence in a company.

Knowing the importance, the Board is unreservedly committed to ensuring that this Board Charter (“Charter”) is comprehensive, practical and accurately reflects the governance tone of the Board in addition to being a reference and focal point for Board members. To put it succinctly, this Board Charter is akin to the constitution of the Board.

This Charter formalises the various roles and responsibilities of the Board, Board Committees and individual director of the Company with the aim of streamlining and enhancing corporate governance practices towards transparency, accountability, sustainability and integrity in boardroom activities.

All the same, this Board Charter is not an “all-inclusive and exhaustive” document. It should be read as a broad expression of principles and is an evolving document. It should be reviewed on a periodic basis and may be amended by the Board from time to time to ensure that the practices of the Board are consistent with the prevailing code of corporate governance, laws and/or regulations and reflect the current practices of the Board.

## PART B – ROLES AND RESPONSIBILITIES

### 2. Role of the Board

The Board’s <sup>1</sup>role is to:

- (i) govern;
- (ii) set the strategic direction; and
- (iii) exercising oversight function on management.

Following from the Board’s role as described above, the Board’s responsibilities in respect of each of its broad roles and responsibilities are <sup>2</sup>inter alia:

#### Governance Role

- together with management of the Group (“the Management”) ensure compliance with applicable laws, regulations, rules, directives and guidelines in the conduct of business by the Company and its subsidiaries (“the Group” or “Apex Group”);
- together with Management, promote good corporate governance culture within the Apex Group which reinforces ethical, prudent and professional behaviour;
- identifying principal risks of the business, set the risk appetite within which the Board expects the Management to operate and ensuring the implementation of appropriate systems to manage these risks;

<sup>1</sup> As set out in the Malaysian Code on Corporate Governance as at 28 April 2021 (“MCCG”).

<sup>2</sup> To be noted that the responsibilities set out above are not exhaustive and other incidental and ancillary responsibilities by virtue of the Board’s roles and/or arising from laws, rules, directives and guidelines may arise from time to time.

- ensuring that an appropriate financial and succession planning, operating and reporting framework, as well as an embedded risk management framework, are established. Elements of this combined framework include the operating plan and budget, financial statements, performance review reports, and risk management report;
- ensuring the integrity of the Company's financial and non-financial reporting;
- ensuring the integration of sustainability considerations in corporate strategy, governance and decision-making includes environmental, social and governance (ESG); and
- ensuring the directors have sufficient understanding and knowledge of sustainability issues that are relevant to the Group and its business, to discharge its role effectively through continuous professional development concerning sustainability. Besides, to constantly review the need to change the Board composition to strengthen board leadership and oversight of sustainability issues.

### Setting Strategic Direction

- reviewing and adopting a strategic plan for the Apex Group;
- review, challenge and decide on the Management's proposals for the Group, and monitor its implementation by the Management;
- ensure that the strategic plan of the Apex Group supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- developing and implementing an investor relations programme or shareholder communications policy for Apex Group;
- responsible for ensuring that the Group's strategies to promote sustainability and the rights of other stakeholders are not compromised; and
- setting the strategic direction at the beginning of each year and adopting a strategic plan for the Group considering the sustainability issues, including approval of corporate exercises or restructuring plans and ensuring the effective implementation of the Company's sustainability strategies and plans by the senior management ("SM").

### Oversight Function Over the Management

- overseeing the conduct of the Apex Group businesses to evaluate whether they are being properly managed;
- reviewing the adequacy and integrity of the Apex Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- supervise and assess management performance to determine whether the business is being properly managed;
- periodic review of the framework for internal controls and risk management;
- ensure that SM<sup>3</sup> has the necessary skills and experience, and there are plans in place to provide for the orderly succession of Board and SM;

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<sup>3</sup> Bursa Main Market Listing Requirement Chapter 9 – Appendix 9C Paragraph (4A) has defined key senior management as a person, who in the opinion of the listed issuer, is the key senior management of the group, and must include a person who is primarily responsible for the business operations of the listed issuer's core business and principal subsidiaries.

- ensure that the Apex Group has in place procedures to enable effective communication with stakeholders;
- overseeing appointment, training, compensating and, where appropriate, replacing SM;
- establishing policies for strengthening the performance of the Group including ensuring that management is proactively seeking to expand the business through innovation, initiative, technology, new products and the development of its business capital taken into account the sustainability aspect;
- review on an annual basis, the performance of the Board and SM in addressing the Group's material sustainability risks and opportunities; and
- identify a designated person within management to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the Group.

### 3. Chairman of the Board

- (i) The Chairman of the Board is appointed from amongst the Directors, who is responsible for the stewardship of the Board.
- (ii) The positions of Chairman and Chief Executive Officer must be held by different individuals as advocated in the MCCG.
- (iii) In amplification of the stewardship role assumed by the Chairman, the Chairman
  - leads the Board to effectively discharge its fiduciary duties and responsibilities;
  - leads the Board in establishing and monitoring good corporate governance practices in the Company;
  - determines, in consultation with the Company Secretary and the Management, the Board's agenda for Board meetings and ensures that Board members receive complete and accurate information in a timely manner;
  - leads the Board meetings and discussions whilst ensuring that proceedings of Board meetings allow appropriate discussions to take place and every Board member is afforded an opportunity to express views and opinions;
  - encouraging effective communication and active participation by all Board members and allowing dissenting views to be freely expressed;
  - serving as the principal conduit on conflict or sensitive issues and managing the interface between Board and the Management;
  - ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board; and
  - performing other responsibilities as assigned by the Board from time to time.

### 4. Senior Independent Non-Executive Director

Under the MCCG, it is a best practice for the Board to appoint a Senior Independent Non-Executive Director (“SID”), however not mandatory.

- (i) In view of the above, where it is required or if deems fit, the Board will identify and appoint from amongst its independent members a SID.
- (ii) If a SID is appointed, the name of the SID shall be disclosed in the annual reports of the Company.

(iii) Where there's an appointed SID, the responsibilities of the SID shall include:

- serving as a sounding board to the Chairman;
- serving as an intermediary for consultation and direct communication with shareholders on areas that cannot be resolved through the normal channels of contact with the Company; and
- ensuring all Independent Non-Executive Directors have an opportunity to provide 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.

#### **5. Chief Executive Officer ("CEO") and Executive Directors ("ED")**

- (i) Chief Executive Officer shall be the highest-ranking executive of the Apex Group and may be a member of the Board. The Chairman and CEO shall be two (2) separate positions so that there is a separation of powers between the Chairman, CEO and the Independent Directors of the Board. In the absence of a CEO, the ED will play the roles intended for the CEO.
- (ii) The CEO or ED is, in essence, the conduit between the Management and the Board. Consequently, the right candidate is pertinent in ensuring the success of the Apex Group's management and the Board. The CEO or ED is responsible for 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 to ensure its smooth and efficient operations.
- (iii) The CEO or ED is accountable to the Board for the achievement of the Group's objectives and is accountable to the Board for the Management.
- (iv) At each of its scheduled meetings, the Board shall (unless dispensed) receive from or through the CEO or the ED:
- summary reports on the performance and activities of the Group and specific proposals for capital expenditure, acquisitions and disposals; and
  - such assurances as the Board considers necessary from the Management.
- (v) Generally, the CEO or the ED is responsible to the Board for the following:
- executive management of the Group's business, encompassing, inter-alia, the development of a sustainable strategic plan, an annual operating plan and budget, performance benchmarks to gauge the Management's performance, and an analysis of management reports;
  - developing long-term strategic and short-term profit plans to ensure that the Group's requirements for growth, profitability and return on capital are achieved;
  - directing and controlling all aspects of the business operations in a cost-efficient manner;
  - effectively overseeing the human resource of the organisation with respect to key positions in the Group's hierarchy and ensuring the general well-being of employees, including the determination of remuneration as well as terms and

- conditions of employment for SM personnel and issues pertaining to discipline of all employees;
  - effectively representing the interest of the Group with regulators, clients and other stakeholders;
  - providing assistance to members of the Board Committees, as required, in discharging their duties; and
  - assisting the Chairman in organising information necessary for the Board to deal with the agenda and for providing such relevant information to Directors on a timely basis.
- (vi) In discharging the above responsibilities, the CEO can delegate appropriate functions to the EDs or any member of SM, who shall report to the CEO.
- (vii) The EDs are responsible to assist the CEO in carrying out and discharging the CEO's duties and responsibilities assigned herein and, from time to time, by the Board.
- (viii) The CEO and EDs are expected to act within all specific authorities delegated to them by the Board.

#### **6. Independent Non-Executive Director**

- (i) Independent Non-Executive Directors are essential for safeguarding the interests of shareholders and can make significant contributions to the Company's decisions by bringing in the quality of detached impartiality. Since an Independent Non-Executive Director has no conflict of interests in the discharge of his duties, he ought to approach any approval for a transaction or other matter that is being sought at the Board level with a watchful eye and with an inquiring mind.
- (ii) The Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") emphasise that even if a person does not fall within any of the disqualifying indicators enumerated out in Paragraph 1.01 of the Listing Requirements, both the Director and the Board must give effect to the spirit, intention and purpose of the definition of an Independent Director. There must be a conscious application of the test of whether the said Director is able to exercise independent judgment and act in the best interests of the Company.

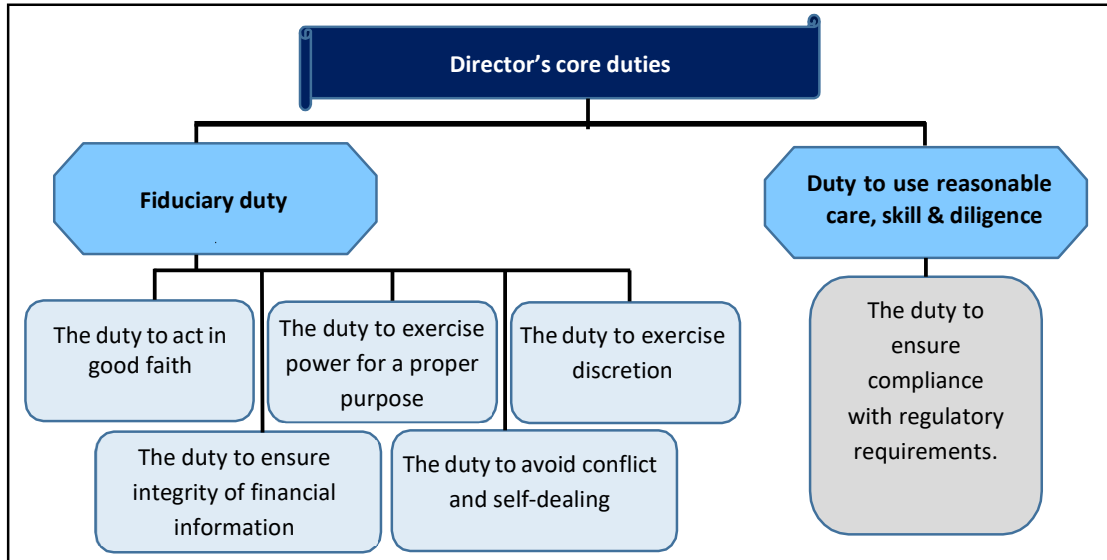
The Independent Non-Executive Directors must ensure that they are independent of management and free from any business relationship, which could materially interfere with their independent judgment. Their role is to provide independent view, advice and judgment to ensure a balanced and unbiased decision-making process as well as to safeguard the interest of public shareholders. The Independent Non-Executive Directors are expected to appraise themselves regularly on their "independence" and advise the Chairman or the Board immediately if they believe that they may no longer be independent.

- (iii) The attributes of collegial yet independent decision-making that must be vested in the Independent Non-Executive Director will be determined in part by the character of the individual and that of the whole ethos of the Board.
- (iv) The tenure of an Independent Non-Executive Director shall not exceed a cumulative term of nine (9) years or such other tenure as may be advocated by the MCGG. Any

extension beyond the MCCG recommended tenure shall be in accordance with the provisions of the MCCG.

- (v) Notwithstanding the self-assessment of independence by Independent Non-Executive Directors, the Board will undertake a rigorous review (including an external assessment, if required) to determine whether the 'independence' of the director has been impaired to justify retaining an Independent Non-Executive Director beyond the prescribed term.

**PART C – THE BOARD CORE DUTIES**



The Diagram above illustrates each and every Board members core duties. Notwithstanding this, the expectation of each individual director is set out below.

**7. Expectation of Individual Director**

- (i) Each Director is expected to participate fully and constructively in Board discussions and other activities to bring the benefit of their particular knowledge, skills and abilities to the Board. In the exercise of this role, each Director must exercise due care and provide his relevant expertise advice and skill in the best interest of the Company and not for any collateral purpose and self-interest.
- (ii) Directors will use their best endeavours to attend Board meetings where each Director shall commit the time to attend no less than 50% of all Board Meetings and Board Committee meetings where he is part of the Board Committee in any applicable financial year with appropriate leave of absence notified to the respective Chairman of the Board or Board Committee.
- (iii) All Directors shall act within the limits of authority imposed by the Board.
- (iv) Each Director is expected to strictly observe confidentiality of the Company's information, and refrain from making improper use of information gained through his position as director for his own interest, or his principal's interest, if applicable.



- (v) Each Director shall abide by the all fiduciary and statutory duties and responsibilities of a director as prescribed under the applicable laws particularly the Companies Act 2016, the Capital Market and Services Act 2007 and the Listing Requirements and all relevant laws, rules, directives and guidelines may arise from time to time.

#### **8. Company Secretary**

- (i) The appointment and removal of the Company Secretary is within the purview of the Board.
- (ii) The Board shall be supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.
- (iii) The key role of the Company Secretary is to provide unimpeded advice and services for the Directors, as and when the need arises, to enhance the effective functioning of the Board and to ensure regulatory compliance.
- (iv) Primary responsibilities of the Company Secretary shall include:
- manage all Board and Board Committees meeting logistics, attend and record minutes of all Board and Board Committees meetings and facilitate Board communications;
  - advise the Board on its roles and responsibilities and ensure that Board procedures and applicable rules are observed;
  - advise the Board on corporate disclosures and compliance with applicable laws and all relevant laws, rules, directives and guidelines may arise from time to time;
  - maintaining complete and accurate statutory records of the Company and ensuring effective management, retention, preservation of confidentiality and access to these records;
  - timely dissemination of information relevant to Directors' roles and functions and keeping them updated on new or evolving regulatory requirements; and
  - carrying out other functions as deemed appropriate by the Board from time to time.

### **PART D – BOARD COMPOSITION**

#### **9. Board Balance and Mix**

The Board recognises the need for its Directors to reflect a range of skills, experiences, expertise, and competence together with good character and integrity that are necessary for applying informed and independent judgement on issues of strategy, performance, resources, utilisation and standards of conduct, all of which are vital to the Group. The Board acknowledges the nomination of its members shall be free of discrimination on the nominees' race, gender and religion.

The appointment of a new Director is a matter for consideration and decision by the Board upon appropriate recommendation from the Nomination and Remuneration Committee ("NRC").

## 10. Diversity

- (i) Apex Group of businesses practise non biasness in its board composition and SM. The Company encourages diversity in terms of gender, race, age, education background and experience for more holistic of business direction, strategies and decision making.
- (ii) The Board is committed to diversity both at the Board and amongst its employees and discourages any form of discrimination albeit gender and/or race. Any potential candidates to the Board and SM are assessed strictly on meritocracy.
- (iii) The Board, assisted by the Management, is responsible for developing strategies to meet the objectives of gender diversity, and monitoring the progress of achieving the objectives through the monitoring, evaluation and reporting mechanisms.
- (iv) The Board through the NRC shall take steps to ensure that women candidates are sought as part of its recruitment exercise.

## 11. Board Committees

The Board may from time to time establish specialized Board Committees to oversee critical or major functional areas and to address matters which require detailed review or in-depth consideration. Although the Board delegates certain duties to the Board Committees, it remains responsible for the decisions of the Committees.

The Board appoints the following Board Committees with specific roles and responsibilities as set out in their respective Terms of Reference:

- (a) Audit Committee
- (b) Nomination and Remuneration Committee
- (c) Group Board Risk Committee

Each Board Committee shall operate under their respective terms of reference. The Board Committees are authorised by the Board to deal with and to deliberate on matters delegated to them within the purview of their terms of reference, report to the Board their deliberations and recommendations for the Board's approval.

The Board may co-opt external third parties and individuals who are subject matter experts into these board committee.

### (a) Audit Committee ("AC")

The AC is established to provide independent oversight of the Company's internal and external audit function, internal controls and ensuring checks and balances within the Company as stipulated in its Terms of Reference.

### (b) Nomination and Remuneration Committee ("NRC")

The NRC is established in accordance with its Terms of Reference for the following:

- (i) Appointments and removals of Directors, CEOs of the Company and its subsidiaries and SM of the Group.

- (ii) Annual appraisal of individual Directors, Board as a whole and performance of CEOs and SM of the Group; and
- (iii) Development of remuneration policy for Directors, CEOs and SM to ensure that the compensation is competitive and consistent with the Group's culture, objectives and strategy.

**(c) Group Board Risk Committee ("GBRC")**

The GBRC is established to provide oversight on risk management matters relating to the activities of the Group to ensure prudent risk management and robust system of internal control over the Group's business, as stipulated in its Terms of Reference.

While the Board may appropriately delegate its authority to Board Committees or the Management, it should not abdicate its responsibility and should at all times exercise collective oversight of the Board Committees and the Management.

## **PART E – BOARD PROCESSES**

### **12. Board Meeting**

- (i) Board meetings shall be conducted on a quarterly basis, with additional meetings to be convened whenever necessary. The Company Secretary, before the commencement of a calendar year shall inform all Directors of the meeting schedule for the year. The Company Secretary shall work together with the Chairman to develop an annual workplan to be disseminated to all Directors at the beginning of the year.
- (ii) The Chairman or any one (1) Director may request for additional meetings to be convened to table matters of urgency, and the Company Secretary shall upon the request of the Chairman of the Board or any one (1) Director, convene such a meeting.
- (iii) Except in the case of emergency, seven (7) days' notice of Board meeting shall be provided in writing. In addition, Directors shall receive meeting materials, which are complete and accurate with sufficient details of matters to be deliberated within a reasonable period prior to the meeting. Information provided shall not be confined to financial data but also other non-financial information, both quantitative and qualitative, which are deemed to be critical in arriving at an informed decision.
- (iv) The quorum for Board meetings shall be a minimum of two (2) Directors. In the absence of the Chairman, the members present shall elect a Chairman from amongst them to chair the meeting. No business shall be transacted unless a quorum is present either in person or by video or telephone conferencing throughout the proceedings of the meeting.
- (v) Board members are required to attend the Board meetings. However, other SM may be invited to attend meetings for particular items within their responsibility. The Board may also invite external parties such as the auditors, solicitors and consultants as and when the need arises. Decisions arising at any meeting of the Directors shall be decided by a majority of votes.

- (vi) The Directors may participate in a Board meeting by means of telephone and video conference or by other means of communication. The physical presence of Director(s) is not compulsory and participation in the meeting in the aforesaid manner shall be deemed to constitute presence in person at such meeting. The Directors participating in any such meeting shall be counted in the quorum for such meeting. All resolutions agreed upon by the Directors in such a meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the Directors duly convened and held. All information and documents must be made equally available to all participants prior to, at, or during the meeting.
- (vii) The Board meetings and discussions shall encourage effective communication and active participation by all Board members and allowing dissenting views to be freely expressed. Board discussions shall be open and constructive, recognising that genuinely held differences of opinion could bring greater clarity and lead to better decisions. The Chairman shall, nevertheless, seek a consensus in the Board but may, where considered necessary, call for a vote.
- (viii) The proceedings of the Board meeting shall be properly minuted by the Company Secretary and all Board members shall ensure that the minutes of meetings accurately reflect the deliberations and decisions of the Board, including whether any Director abstained from voting or deliberating on a particular matter. The minutes of Board meetings shall be circulated to all board members within seven (7) days from the date of the meeting.

### **13. Access to Information and Independent Advice**

- (i) All Directors have unrestricted access to the advice and services of the Company Secretary and SM in the Group. The Directors shall also have access to the internal and external auditors of the Group, without the Management present, to seek explanations or additional information.
- (ii) All Directors (executive and non-executive) have the same right of access to information relevant to the furtherance of their duties and responsibilities as Directors of the Company.

### **14. Third Party Professional Advice**

- (i) Any Director may seek advice from external professionals on a specific subject matter at the expense of the Company in furtherance of their duties, so as to ensure the Directors are able to make independent and informed decisions. The CEO shall facilitate such request.

### **15. Continuing Development and Training**

- (i) The Board shall proactively provide training programmes to Directors to keep them abreast in order to enable them to discharge their duties and responsibilities effectively. At the same time, the Directors are encouraged to attend relevant seminars and training programmes to equip themselves with the knowledge to effectively discharge their duties as Directors.

- (ii) The Board shall assess the training needs of the Directors and ensure Directors have access to continuing education programmes.
- (iii) All costs incurred ancillary or incidental to the training shall be borne by the Company.

#### **16. Time Commitment of Directors**

- (i) All Directors are expected to devote sufficient time and attention to the affairs of the Company. Any Director is, while holding office, at liberty to accept other Board appointment(s) in other companies so long as the appointment is not in conflict with the Company's business and does not affect the discharge of his duty as a Director of the Company.
- (ii) All Board members shall notify the Chairman of the Board before accepting any new directorship in other companies. The notification shall include an indication of time that will be spent on the new appointment. The Chairman shall also notify the Board if he has any new directorship or significant commitments outside the Company.

#### **17. Directors' Insurance**

- (i) The Company shall, so long as it is permitted by laws, indemnify all costs in relation to any action taken by the Directors if such actions are taken in good faith and in the best interest of the Company at the time of the act.
- (ii) The Company shall provide appropriate Directors and Officers (D&O) liability insurance to safeguard the interests of Directors.

#### **18. Directors' Remuneration**

- (i) The NRC is empowered to make recommendations to the Board on the Directors' and SM's remuneration.
- (ii) The remuneration of non-EDs shall be based on the experience, the level of responsibilities undertaken by them and the recommendation of the Board.
- (iii) The remuneration and incentives for Independent Directors should not conflict with their obligation to bring objectivity and independent judgment on matters discussed at Board meetings.
- (iv) Fees and benefits paid to Directors are subject to prior approval of shareholders. Non-Executive Directors will be paid directors' fee. Additional allowance shall be paid based on their responsibilities in the Board and on the committees and/or for any other special skills and expertise that they bring to the Board. Any fee paid to an alternate Director shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter. Executive Director shall receive no fees but shall be paid as full-time employees of the Company.
- (v) Directors who are shareholders shall abstain from voting at general meetings to approve their fees. Similarly, EDs shall not be involved in deciding their own remuneration.

**19. Shareholdings by Board Members in the Company**

- (i) Board members may hold shares in the Company. In any dealings by a Board member, be it buying, selling or transfer to third party, Board members must strictly observe the disclosure requirements and/or provisions under the Capital Market & Services Act 2007, Companies Act 2016, Listing Requirements and all other relevant legislative and regulatory requirements.
- (ii) A list of the Directors' dealings for the applicable financial period shall be tabled at every quarterly Board meeting of the Company whereupon the Board members are obliged to verify/confirm their prevailing shareholdings and movement of shareholdings.

**20. Succession Plan**

As and when necessary, the CEO (or in the absent of CEO, a delegated ED) shall formulate an appropriate succession plan for each and every critical position of the Group for the Board's review and approval. At least once a year, to put forward this agenda item for discussion at the Board meeting.

**21. Division of Authority between the Board and the Management**

The Board reserves a formal schedule of matters for its decision to ensure that the direction and control of the Group is firmly in its hands. Board reserved matters shall include:

- (i) any subject matter, outside the ordinary course of business of the Group, which involves a consideration exceeding 5% of the latest audited consolidated shareholders' equity of the Group, or amounting to RM1,000,000, whichever is lower;
- (ii) any subject matter, outside the ordinary course of business of the Group, which would bring an annual profit and loss impact greater than RM1,000,000 or greater than 10% of the projected consolidated profit after tax of the Group for the same reporting year, whichever is lower;
- (iii) any subject matter with a related party which involves a consideration of RM500,000 or the amount prescribed in the applicable Listing Requirements on related party transactions which require immediate announcement;
- (iv) any subject matter with a related party which would bring an annual profit and loss impact greater than RM500,000 or the amount prescribed in the applicable Listing Requirements on related party transactions which require immediate announcement, or greater than 5% of the projected consolidated profit after tax of the Group for the same reporting year, whichever is lower;
- (v) any subject matter related to bank or capital market borrowings or providing securities or corporate guarantees;
- (vi) any subject matter which will change or potentially affect the direction, strategy, value, goal or listing status of the Company and/or its major subsidiaries;
- (vii) any subject matter which will substantially affect the reputation, image, profitability and sustainability of the Company and/or its major subsidiaries;

- (viii) any subject matter which relates to conflict of interests of Directors and/or major shareholders;
- (ix) any subject matter which had been delegated to any sub-committee of the Board;
- (x) any subject matter which are required by the Memorandum & Articles of Association, law or any other statutory requirements to be decided by the Board or shareholders in a general meeting;
- (xi) any subject matter which the Board may decide requires its approval;
- (xii) appointment of external auditors; and
- (xiii) announcements to Bursa Malaysia Securities Berhad.

## 22. Board Evaluation

- (i) To remain relevant, the effectiveness of the Board, its Committees and each individual Director is annually reviewed and disclosed in the annual report as prescribed under the Listing Requirements and the MCCG. The Board may engage professional, experienced and independent party(ies) periodically to facilitate objective and candid board evaluation.
- (ii) The NRC is responsible for undertaking the annual appraisal of the Board's performance as a whole and the performance of its Committees as well as the performance of the individual Directors. This is used as a tool to recognise the Board's strengths and to identify gaps and areas for improvement for the Board, its Committees and the individual Directors to ascertain their performance.
- (iii) The Board via the NRC to evaluate all Directors including Independent Directors. Such evaluation may consider the values, principles and skills required for the Group, to serve as a source of reference for prospective and incumbent Directors for the Board's annual appraisal and shall be reviewed regularly to maintain their relevance.
- (iv) The Board shall disclose how it has conducted such evaluation and its outcome in the annual report including the identity of the third party if the evaluation is conducted by an independent third party.
- (v) The Board, in assessing a Director's independence shall focus not only on whether a Director's background and current activities qualify him or her as independent but also whether the Director can act independently of the Management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company.

## 23. General Meeting

The Board views general meetings as an important mechanism in shareholders communication and shall encourage all Directors and the Chairs of Board Committees participation at general meetings to allow shareholders who raise questions to receive meaningful response to the questions raised by them.

**24. Stakeholders Communication**

- (i) The Board shall ensure effective, transparent and regular communication with its stakeholders to facilitate mutual understanding of each other's objectives and expectations.
- (ii) The Board shall ensure there are procedures to allow its members access to information and advice and establishment of a communication channel to acknowledge and address stakeholders' views, feedback or complaints appropriately, for better understanding of stakeholders' expectations in managing the Group's sustainability risks and opportunities.

**PART F – ACCOUNTABILITY AND AUDIT****25. Appointment, Assessment and Removal of External Auditor**

- (i) Duties and responsibilities of assessing, recommending the appointment/removal and the fixing of remuneration for the external auditor have been delegated to the AC. Nonetheless, the appointment of the external auditor is to be approved by shareholders.
- (ii) Appointment, assessment and removal of external auditor shall be conducted in accordance with the Companies Act 2016 and Listing Requirements.
- (iii) External auditor, if dismissed by the Board, shall be provided with an opportunity to address to shareholders in the next immediate annual general meeting after the dismissal.

**26. Internal Control and Risk Management**

The Board affirms its overall responsibility for the Group's systems of internal controls, risk management and reviewing the adequacy and integrity of these systems.

- (a) Internal Control
  - (i) The Management is responsible for implementing the processes for identifying, evaluating, monitoring and reporting of risks and internal control, taking appropriate and timely corrective actions as needed, and for providing assurance to the Board that the processes have been carried out.
  - (ii) The AC has been entrusted by the Board to ensure the effectiveness of the Group's internal control systems.
  - (iii) The Group Internal Audit assist the AC in discharging its duties on the review of the systems of internal control. The Group Internal Audit shall report directly to the AC.
  - (iv) The Head of Group Internal Audit shall possess such necessary qualifications and experience to carry out his/her duties and to ensure internal audit works are performed in accordance with the professional standards and guidelines.



- (v) Recognising that the internal control system must continuously improve to meet the challenging business environment, the Board shall continue to take appropriate action plans to strengthen the Group's internal control system.
- (b) Risk Management
  - (i) Risk management forms an integral part of the Group's business operations. The process of identifying, evaluating, monitoring and managing significant risks is embedded in the various work processes and procedures of the respective operational functions and management team.
  - (ii) The GBRC assist the Board to assess and manage risks that are faced by the Group. Risks and controls are regularly discussed at the Group Risk Management Committee meetings.
  - (iii) A sound risk management framework is established to govern the risk management system of the Group.

## **27. Code of Conduct and Ethics**

The Board is committed to uphold and implement the highest standards of corporate governance and best practices throughout its businesses.

In order to achieve this highest standard of corporate governance, the Board has formulated and adopted a code of conduct.

The detailed Code of Conduct and Ethics is set out in the Company's website at <https://www.apexequity.com.my/>.

## **28. Policies and Guidelines**

The Board shall establish policies and/or guidelines on other targeted subject matters and such policies or guidelines are set out in the Company's website where required by the Listing Requirements or MCCG. Such policies or guidelines shall form part of this Board Charter.

As at the date of this Board Charter, the following policies and guidelines have been issued by the Board and are set out in the Company's website:

- (i) Whistleblowing Policy;
- (ii) Anti-Bribery and Corruption Policy;
- (iii) Personal Data Protection Policy;
- (iv) Related Party Transaction Policy;
- (v) Group Risk Management Policy;
- (vi) Directors' Fit and Proper Policy; and
- (vii) Group Remuneration Policy and Procedures.

## **29. Application of Board Charter**

- (i) The principles set out in this Board Charter shall:

- a) be reviewed and updated as and when the need arises particularly if there are substantive changes in applicable laws that necessitate revisions; and
  - b) be applied bearing in mind the substance and spirit as opposed to the form.
- (ii) The Board shall endeavour to comply at all times with the principles and practices as set out in this Board Charter.
- (iii) The Board shall periodically review this Board Charter from time to time and make the requisite amendments to ensure they remain consistent with the Board's objectives, current laws and practices.
- (iv) The Board Charter is made available for reference in the Company's website at <https://www.apxequity.com.my/>.

Revision History

<b>Version</b>	<b>Effective Date</b>
Revision	13.06.2022
2nd Revision	09.08.2022
3rd Revision	19.04.2023
4th Revision	28.07.2023

**Diagram A**

The process of an appointment of a new Director is illustrated below:

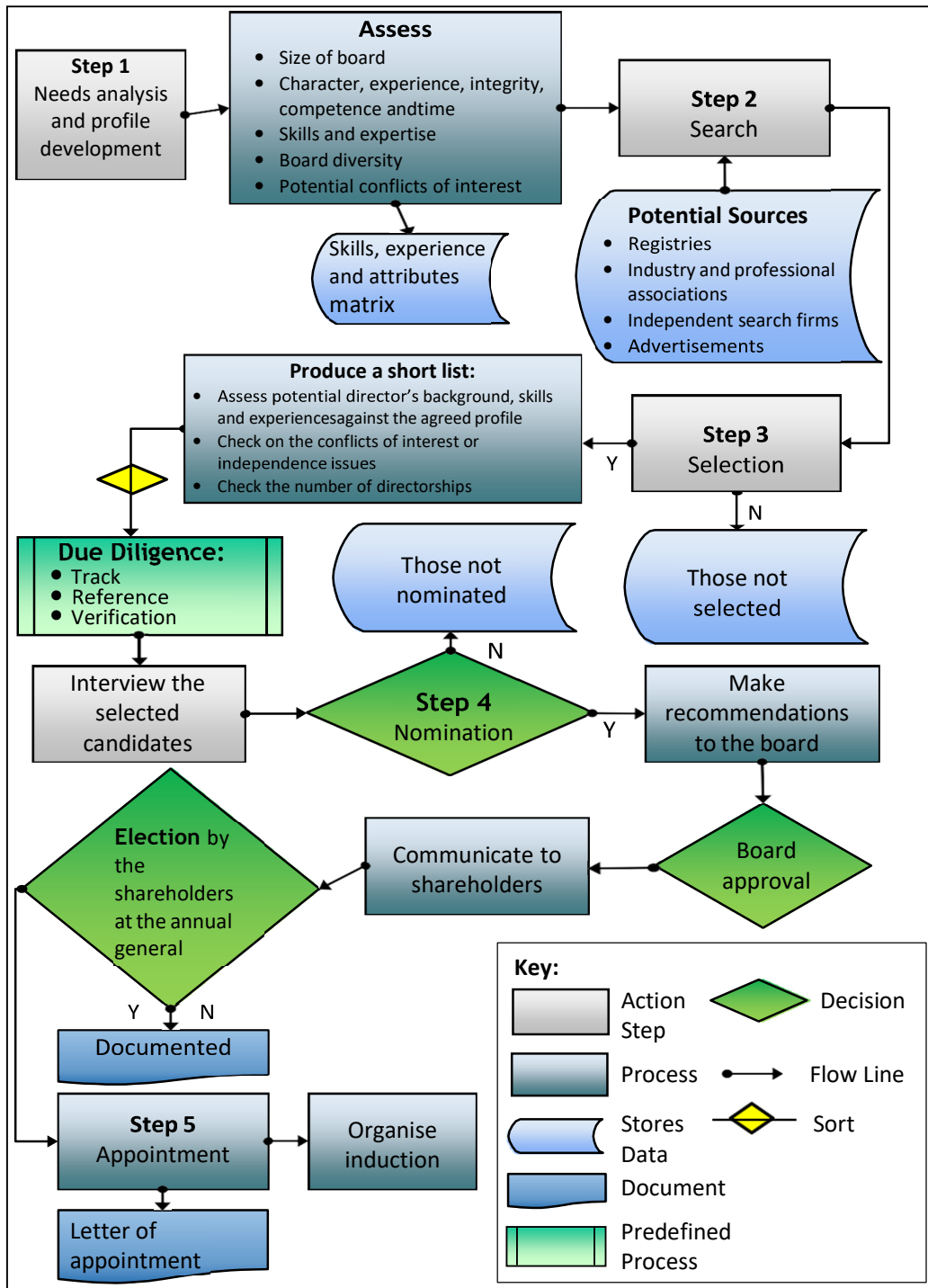


Diagram above depicting process of an appointment of a new Director (Adapted from Bursa Malaysia's Corporate Governance Guidance on Board Leadership and effectiveness). The process flow should be documented alongside the Terms of Reference of the Nomination and Remuneration Committee and the selection criteria of candidates for directorships.