

LIM SEONG HAI CAPITAL BERHAD
Registration No. 202001036664 (1392985-A)

BOARD CHARTER

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BOARD CHARTER

DEFINITIONS

Listing Requirement	- ACE Market Listing Requirements of Bursa Securities
Board	- The Board of Directors of the Company
Bursa Securities	- Bursa Malaysia Securities Berhad
Act	- The Companies Act 2016 and any statutory modification, amendment or re-enactment thereof and every other legislation made thereunder from time to time for the time being in force
Chairman	- The Chairman of the Board
Committee	- Board Committees of the Company
Company	- Lim Seong Hai Capital Berhad (Registration No. 202001036664 (1392985-A))
Company Secretary	- The Board's secretary(ies)
Constitution	- The Constitution of the Company
Director	- The Directors for the time being of the Company and unless otherwise stated, includes their duly appointed alternates
Group	- The Company, its joint-ventures and subsidiaries
Independent Director	- A Director who does not participate in the management of the Company and who satisfies the criteria for "independence" set out in the Listing Requirement
Management	- The management personnel of the Company
Senior Management	- The senior management personnel of the Company

Unless the context otherwise requires:

- words importing the masculine gender shall include the feminine, neuter genders and vice versa; and
- words importing the singular shall include the plural and vice versa.

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1. INTRODUCTION

The Board regards corporate governance as vitally important to the success of the Group's business and is unreservedly committed in ensuring that the following principles of good governance as promulgated in the Malaysian Code on Corporate Governance ("MCCG"), certain aspects of the Listing Requirement, Constitution and relevant provisions of the Act are practised in all of its business dealings in respect of its shareholders and relevant stakeholders:

- The Board is the focal point of the Group's corporate governance system. It is ultimately accountable and responsible for the performance and affairs of the Group.
- 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 in ensuring the Group achieves high standards of corporate governance.
- This Board Charter is an integral part of each Director's duties and responsibilities.

This Board Charter serves as a source of reference for the Board to perform their fiduciary duties and shall not be construed as a blueprint in respect of the Board's activities or operations. Given each organisation has its own corporate culture, the dynamics of each Board is unique and the dynamics shift as the composition of the Board changes. The Directors shall always be open to new opportunities and ready to confront new challenges brought about by any changes.

This Board Charter is to promote high standards of corporate governance and is designed to provide guidance and clarity for the Directors and Management with regard to the role of the Board and its Committees, the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Company as well as the Board's operating practices. This Board Charter does not overrule or pre-empt the statutory requirements of the Directors enshrined in the Act, the Income Tax Act 1967 and any other relevant statutes, including the conduct of the Board as stipulated in the Constitution. To the extent of any conflict or discrepancy between the terms of this Board Charter and the Constitution, the Constitution shall prevails.

2. OBJECTIVES

The objective of this Board Charter is to ensure that all Board members are aware of their duties and responsibilities as Board members and the various legislations and regulations governing 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 Group.

In pursuit of the principles expressed in this Board Charter, the intention is for the Board to exceed the “minimum legal requirements” with cognisance of the standards of best corporate governance practices locally and internationally.

3. THE BOARD

3.1 Principal Roles and Responsibilities

- 3.1.1 The Board is charged with the role to lead and manage the Group in an effective and responsible manner. Each Director has a legal duty to act in good faith, to use reasonable care, skill and diligence and to act in the best interest of the Group. The Directors, collectively and individually, are aware of their responsibilities to their shareholders and stakeholders for the manner in which the affairs of the Group are managed. The Board sets the Group’s values and standards and ensures that its obligations to its shareholders and stakeholders are understood and met.
- 3.1.2 The Board ensures that the Company complies with various guidelines issued by Bursa Securities, the Securities Commission Malaysia and other regulators relating to disclosure and internal audit functions.
- 3.1.3 The Board is fully committed to developing and maintaining high standards of corporate governance by implementing the principles and best practices prescribed in the MCCG. Good governance holds the Management accountable to the Board and the Board accountable to its shareholders and other stakeholders. The Board’s fundamental approach in this regard is to ensure that the right executive leadership, strategy and internal controls for risk management are well in place.
- 3.1.4 All Directors shall objectively discharge their respective duties and responsibilities at all times as fiduciaries in the best interest of the Company.
- 3.1.5 The principal duties and responsibilities of the Board including those adopted from the MCCG are:
 - a) together with the Senior Management, promote good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour;

- b) review, challenge and decide on the Management's proposals for the Company, and monitor its implementation by the Management;
- c) ensure that the strategic initiatives and direction of the Company support long-term value creation and include strategies on economic, environmental, social and governance considerations underpinning sustainability;
- d) supervise and assess the conduct and performance of the Management to determine whether the business is being properly managed;
- e) ensure there is a sound framework for internal controls and risk management;
- f) understand the principal risks of the Company's business and recognise that business decisions involve the taking of appropriate risks;
- g) set the risk appetite within which the Board expects the Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- h) ensure that the Senior Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of the Board and Senior Management;
- i) ensure that the Company has in place procedures to enable effective communication with its stakeholders; and
- j) ensure the integrity of the Company's financial and non-financial reporting.

3.1.6 The principal roles and responsibilities of the Directors include:

- a) direct the management of the business and affairs of the Group;
- b) attend substantially all meetings of the Board and each Committee on which the Director serves; and
- c) review all materials provided by the Company relating to the matters to be considered at the meetings of the Board or Committees before attending such meetings.

3.2 Matters Reserved

3.2.1 The matters reserved for the Board include:

- a) the Group's strategy, plans and budgets;

- b) acquisitions and disposals of property and/or any transactions exceeding the authority limits;
- c) approval of the Directors' Report and Audited Financial Statements.
- d) approval of the agendas for Annual General Meeting ("AGM") and Extraordinary General Meeting ("EGM").
- e) changes to the Managing Director ("MD") and Senior Management; and
- f) changes in the key policies, procedures and delegated authority limits of the Group.
- g) to approve any other matters that the Board may deem appropriate and necessary from time to time.

3.3 Composition and Board Balance

- 3.3.1 The Board shall comprise of qualified individuals with diverse experience, background, skill and perspective to understand properly and deal with the issues and emerging issues of the business of the Company. The composition and size of the Board shall be such that it facilitates the making of informed and critical decisions without limiting the level of individual participation, involvement and effectiveness. In seeking potential candidate(s) for appointments, the Board shall take into account diversity factors including gender, ethnicity and age distribution of the Directors, to maintain a balanced Board composition.
- 3.3.2 In accordance with Listing Requirement, at any one time, at least two (2) or one-third (1/3) of the total Board members, whichever is the higher, shall comprise of Independent Directors with at least one (1) woman Director on Board. If the number of Board members is not three (3) or a multiple of three (3), then the number nearest one-third (1/3) must be used. In the event of any vacancy in the Board, resulting in non-compliance with the above, the Board must ensure that the vacancy is filled within three (3) months.

To foster greater objectivity in the boardroom, at least half of the Board members shall comprise Independent Directors. The Independent Directors provide independent judgement, experience and objectivity without being subordinated to operational considerations.

In accordance with MCGC, the tenure of an Independent Director shall not exceed a term limit of nine (9) years and any extension shall be subject to shareholders' approval. Upon completion of the nine (9) nine years, an Independent Director may continue to serve on the Board as a Non-Independent Director.

- 3.3.3 The MD and the Executive Director(s) are the "Executive" Directors on the Board. However, the views of the Management are represented at the meetings of the Board by the presence of Senior Management.

3.3.4 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.

The role of the Independent Directors is to constructively challenge and help to develop proposals on strategy, including, among others:

- a) to make independent assessment of the information, reports or statements, having regard to the Directors' knowledge, experience and competence, to provide independent view and demonstrate objectivity in reviewing and challenging the Management's proposals at meetings;
- b) to devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes, as well as to keep abreast of the relevant industry issues, market developments and trends, to enable them to sustain their active participation in Board's deliberations;
- c) to act as a channel of communication between the Management, shareholders and other stakeholders, to provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied; and
- d) where Executive Directors form part of the Board, the Non-Executive Directors are encouraged to meet among themselves at least annually to discuss among others strategic, governance or operational issues, if necessary.

3.3.5 The Board may appoint a Senior Independent Director to whom shareholders' concerns can be conveyed if there are reasons that the concerns are unable to be resolved through the normal channels of the Chairman or the MD.

The role of Senior Independent Director includes, among others:

- a) work closely with the Chairman acting as a sounding board and providing support;
- b) serve as an intermediary for other Directors and the point of contact for shareholders and other stakeholders when necessary;
- c) ensure that all Independent Directors have the opportunity to provide input on the agenda of the Board meetings, 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;

- d) consult the Chairman regarding the Board meeting schedules to ensure that the Independent Directors can perform their duties and responsibilities with sufficient time for discussion of all agenda items; and
 - e) serve as the principal conduit between the Independent Directors and the Chairman on sensitive issues.
- 3.3.6 A Director shall inform the Chairman before he/she accepts any new directorships in any listed companies or other companies. Each Board member shall not hold more than five (5) directorships in listed companies. The Board shall obtain time commitment from the newly appointed Directors at the time of appointment.

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 and Remuneration Committee. Further, in identifying candidates for appointment of Directors, the Board shall not solely rely on recommendations from the MD and within the bounds of practicability, from any other Directors, shareholders or senior officers of the Company. The Board may utilise various independent sources to identify suitably qualified candidates. Appointment of Directors is based on objective criteria, merit and with due regard for diversity in skills, knowledge, expertise, experience, cultural background, gender, age and nationality.
- 3.4.2 Each appointed Board member shall hold office until the earlier of:
 - (a) such time as the Board determines to terminate his/her appointment; or
 - (b) the Board member ceases to be a member of the Board.
- 3.4.3 Without limiting the generality of the foregoing, the qualifications for Board membership shall include the possession of:
 - (i) the ability to make informed business decisions and recommendations;
 - (ii) an entrepreneurial talent for contributing to the creation of shareholder value;
 - (iii) the relevant experience in regional and/or international markets;
 - (iv) the background, knowledge and experience that are relevant to the Company's business;
 - (v) the ability to ask relevant questions, maintain high ethical standards, exercise sound practical sense;
 - (vi) the ability to devote sufficient time to fulfil his/her responsibilities as a member of the Board and any of the Committees to which he/she may be appointed; and

- (vii) the commitment to protect the interests of the shareholders and achieve the Company's objectives.
- 3.4.4 The Board shall undertake an assessment of its Independent Directors annually.
- 3.4.5 The Company Secretary has the responsibility in ensuring that the relevant procedures relating to the appointment of new Directors are properly administered.
- 3.4.6 The Company shall provide adequate training and orientation for the new Directors in respect of the business, structure and management of the Group as well as the expectations of the Board with regard to their contribution to the Board and Group.
- 3.4.7 In addition to the Mandatory Accreditation Programme as required by Bursa Securities, the Board members are also encouraged to attend training programmes conducted by highly competent professionals which are relevant to the Company's operations and business. The Board, assisted by the Nomination and Remuneration Committee, shall on continuous basis assess and determine the training needs of the Directors and disclose in the annual report the trainings attended by the Directors. In special circumstances, valid justifications for non-attendance at any training by the Directors for the financial year shall also be disclosed.
- 3.4.8 The tenure of the Executive Director is specified in his/her contract of service.
- 3.4.9 No active politician in Malaysia shall be appointed, re-appointed, elected or re-elected as a Director or continue to serve as a Director. A person is considered an "active politician" if he/she is a Member of Parliament, State Assemblyman or holds a position at the Supreme Council or division level in a political party.
- 3.4.10 The criteria for the recruitment or appointment (including re-election/ re-appointment) of Director is guided by fit and proper assessment to be conducted by the Nomination and Remuneration Committee in accordance with its Terms of Reference as well as the Directors' Fit and Proper Policy. The fit and proper assessment on a Director may also be conducted whenever the Company becomes aware of information that may materially compromise a Director's fitness and propriety.

3.5 Re-election

- 3.5.1 All Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.

3.6 Duty to Disclose Interest

- 3.6.1 Every Director who may have direct or indirect interest in any contract or proposed contract or arrangement with the Company and/or Group shall immediately declare his/her interest to the Board and shall not participate in

deliberations and shall abstain himself/herself from casting his/her votes in any matter arising therefrom.

- 3.6.2 Should there be an actual, potential or perceived conflict of interest between the Company and a Director, or an associate of a Director such as a spouse, other family member, or a related company (*as defined under Section 197 of the Act*), the Director involved shall make full disclosure and act honestly in the best interest of the Company:
- (a) immediately inform the Audit and Risk Management Committee in respect of his/her direct and/or indirect interests in any businesses or corporations which carry on similar trade as the Group; and
 - (b) comply with the provisions of Sections 219 and 221 of the Act in connection with the disclosure of his/her shareholding and interests in the Company and his/her interest in any contract or proposed contract with the Company and in connection with the disclosure, state the fact and the nature, character and extent of any office or possession of any property whether directly or indirectly duties or interests might be created in conflict with his/her duty or interest as a Director of the Company.

- 3.6.3 An actual, potential or perceived conflict of interest shall not necessarily disqualify a Director from the Board provided that the full disclosure of the interest has been made in good faith and with due honesty.

3.7 Board Processes

- 3.7.1 The Board shall meet at least once every quarter with additional meetings convened as and when required. The Management who are not the Directors may be invited to attend and speak at the Board meetings on matters relating to their sphere of responsibility. The Board may also invite external parties such as the auditors, solicitors and consultants as and when the need arises.
- 3.7.2 All Directors whether collectively as a Board or in their individual capacity shall have the same right to the resources of the Group, including obtaining full and unrestricted access to all information pertaining to the Company and the advice and services of the Company Secretary in furtherance of their duties and responsibilities as the Directors.
- 3.7.3 The Management shall be responsible for providing the Board with the required information in an appropriate and timely manner. If the information provided by the Management is insufficient, the Board may make further enquiries where necessary to which the persons responsible shall be required to respond as soon as practicable.
- 3.7.4 The minutes of meetings shall accurately record the deliberations and decisions of the Board, including the views of individual Board member, any dissenting views and whether any Director had abstained from voting or deliberating on a particular matter.

- 3.7.5 The Board as well as any Director is entitled to obtain independent professional advice relating to the affairs of the Group or their respective duties and responsibilities as a Director, subject to Paragraph 3.7.6 below.
- 3.7.6 The Board's prior approval shall be obtained if a Director considers independent professional advice necessary for the discharge of his/her duties and responsibilities as Director and for the benefit of the Company. In seeking such advice, the following procedures shall be complied with:
- The request shall be made in writing to the Board;
 - The Director concerned shall prepare a detailed paper to be submitted to the Board, highlighting among others the purpose behind the request and the estimated cost for the advice; and
 - The Board shall deliberate on the said paper and at its absolute discretion determine if the Director concerned shall be permitted to seek such advice. Should a request be denied, the Director concerned is entitled to have his/her views duly recorded.
 - Should the request be approved, the cost of the advice shall be reimbursed by the Company. The Board or the Director, as the case may be, shall ensure that in so far as is practicable, the cost is reasonable.

3.8 Indemnities and Insurances

- 3.8.1 The Group will procure indemnity and insurance coverage for the Directors in respect of liabilities incurred or suffered by the Directors while acting in their capacities as directors, to the fullest extent permitted by the Act.

4. CHAIRMAN AND MANAGING DIRECTOR

The Company strives to maintain a balance of power and authority by delineating clear responsibilities between the Chairman and MD. There is a distinct separation of roles, ensuring that the Chairman focuses on leading the Board, while the MD concentrates on overseeing the Company's business operation.

4.1 Roles of the Chairman

- 4.1.1 The Chairman is responsible for leadership of the Board in ensuring the Board can perform its duties and responsibilities effectively. The Chairman is responsible for the following:
- a) leading the Board in adoption and implementation of good corporate governance practices in the Group;

- b) ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole;
 - c) ensuring all Directors are properly briefed on issues arising at Board meetings;
 - d) ensuring 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's discussion;
 - e) ensuring the issues discussed are forward looking and focused on strategy;
 - f) ensuring every Board resolution is put to vote and the will of the majority prevails, and that any concern or dissenting views expressed by any Director on any matter deliberated at meetings of the Board are adequately addressed and duly recorded in the relevant minutes of meetings;
 - g) setting the board agenda and ensuring that Directors receive complete and accurate information in a timely manner;
 - h) managing the interface between the Board and Management; and
 - i) leading board meetings and discussions.
- 4.1.3 The Chairman of the Board shall not be a member of the Audit and Risk Management Committee, and Nomination and Remuneration Committee.

4.2 Roles of the Executive Vice Chairman

- 4.2.1 The Executive Vice Chairman shall assist the Chairman in performing the latter's duties and responsibilities. During the period when the Chairman is absent and the normal functions of the Chairman cannot be carried out, the Executive Vice Chairman will take the role as the acting Chairman.
- 4.2.2 The Executive Vice Chairman will also assume the following responsibilities:
- a) reviewing the corporate vision and mission of the Company;
 - b) reviewing and monitoring the strategic plans of the Company;
 - c) ensuring the Company's strategies promote sustainability and growth;
 - d) to provide leadership and oversight to the overall conduct of the Company's businesses to ensure it is being properly managed;
 - e) to provide direction on business development;
 - f) to make appropriate recommendations to the board on proposed strategic investments, mergers and acquisitions and corporate exercises; and

- g) to provide direction for investors relations and shareholders communication programme to ensure effective communication with all stakeholders.

4.3 Roles of the Managing Director

- 4.3.1 The MD is the conduit between the Board and the Management in ensuring the success of the Group's governance and management functions.
- 4.3.2 The MD is accountable to the Board for the achievement of the Group's mission, goals and objectives as well as the observance of Management's limitations.
- 4.3.3 The MD and has the executive responsibility for the day-to-day operations of the Group's business and implements the policies, strategies and decisions adopted by the Board.
- 4.3.4 All Board authorities conferred on the Management are delegated through the MD and this will be considered as the MD's authority and accountability as far as the Board is concerned.
- 4.3.5 Generally, the MD is responsible to the Board for the following:
 - a) the executive management of the Group's business covering, inter alia, the development of a strategic plan, an annual operating plan and budget, performance benchmark to gauge management's performance against and the analysis of management reports;
 - b) effectively overseeing the human resources of the Group in respect of the key positions in the Group's hierarchy, determination of remuneration as well as terms and conditions of employment for Senior Management and issues pertaining to discipline;
 - c) assuring that the Group's corporate identity, products and services are of high standards and are reflective of the market environment;
 - d) be the official spokesman for the Company and responsible for overseeing all regulatory, governmental and business relationships of the Group;
 - e) coordinating business plans with the Heads of Divisions and Departments, and management issues through the Board as well as overseeing divisional function groups and cost containment process in consultation with the Chief Financial Officer ("CFO") of the Group;
 - f) regularly reviewing the capabilities and competences of the Heads of Divisions and Departments who are responsible for all functions contributing to the success of the Group;
 - g) assessing business opportunities which are of potential benefit to the Group;

- h) maintaining and facilitating a positive working environment and good employee relations;
- i) promoting a high degree of corporate governance and ethics across the Group; and
- j) assisting the Chairman in organising and providing accurate, timely and clear information necessary for the Board to deal with the agenda and for providing this information to the Directors on a timely basis.

5. BOARD COMMITTEES

- 5.1 The Board has the right to establish Board Committees as deemed necessary to effectively fulfil its duties and responsibilities. A number of standing Board Committees with written terms of reference has been established, namely the following:
 - Audit and Risk Management Committee (“ARMC”);
 - Nomination and Remuneration Committee (“NRC”); and
 - Sustainability Committee (“SC”).
- 5.2 The Board may delegate its authority to Board Committees to oversee matters which required in-depth review or consideration. Board Committees should be provided with sufficient resources to perform its duties.
- 5.3 The Board is responsible for approving and ensuring the accessibility of the well-defined and clear terms of references explaining the role and the authority delegated to the Board Committees by the Board. These terms of reference should be made readily available on the websites of the Company.
- 5.4 The Board may establish ad hoc Board Committee to examine specific issues as and when the need arises.

6. DIRECTORS’ REMUNERATION

- 6.1 The Board 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.
- 6.2 The level of remuneration for the Executive Directors is recommended by the NRC to the Board after giving due consideration to the compensation levels for comparable positions among other similar Malaysian public listed companies.

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In deciding the remuneration to be paid to Directors who are not employees of the Group for serving on the Board and the Board Committees, the Board will consider the following:

- a) The remuneration of directors of other companies of comparable size to the Group;
 - b) The time commitment expected from the Directors for preparation and attendance at meetings of the Board and the Board Committees on which they serve;
 - c) The financial performance of the Company;
 - d) Nature of special assignment delegated to a Director serving on a Board Committee along with the significance of these assignments to the Group and its shareholders; and
 - e) The risks associated with serving as a Director and participating as member of Board Committees.
- 6.3 Fees payable to Non-Executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.
- 6.4 Salaries and other emoluments payable to Executive Directors pursuant to a service contract need not be determined by the Company in general meeting but such salaries and emoluments shall not include a commission on or percentage of turnover.
- 6.5 The fees and benefits payable to the Directors shall from time to time be determined by an ordinary resolution of the Company in general meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree.
- 6.6 The Company shall reimburse the Directors all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending Board meetings of the Company.

7. ACCOUNTABILITY AND AUDIT

7.1 Financial Reporting

- 7.1.1 The Board aims to present a clear and balance assessment of the Group's financial position and future prospects that extends to the annual and quarterly reports.

- 7.1.2 The Board ensures that the annual and interim financial statements are prepared so as to give a true and fair view of the current financial status of the Group in accordance with the approved accounting standards.
- 7.1.3 The Group's practice is to announce to Bursa Securities its quarterly financial results as early as possible and in any event not later than 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.
- 7.1.5 The Board ensures all its Directors are able to understand financial statements and form a view on the information presented, and ensures the integrity of the Group's financial and non-financial reporting. Each Director shall read the financial statement of the Group and carefully consider whether what they disclose is consistent with the Director's own knowledge of the Group's affairs.

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 Auditors through the ARMC.
- 7.2.2 The ARMC also reviews the scope and results of the audit, its cost effectiveness and the independence and objectivity of the Company Auditors. The ARMC ensures that the Company Auditors do not provide 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 meeting. The Company Auditors will retire yearly at the AGM and be re-appointed by shareholders for the ensuing year.

7.3 Internal Controls and Risk Management

- 7.3.1 The Board has overall responsibility of maintaining a system of internal control, which provides reasonable assurance of effective and efficient operations and compliance with laws and regulations as well as with internal policies and procedures.
- 7.3.2 The Board ensures the system of internal controls and enterprise risk management are reviewed on a regular basis by the ARMC.

8. GENERAL MEETINGS

8.1 Annual General Meeting

- 8.1.1 The Board regards the AGM as an important event in the corporate calendar of which all Directors and Senior Management should attend.
- 8.1.2 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.
- 8.1.3 The Chairman shall encourage active participation by the shareholders during the AGM.
- 8.1.4 The Chairman and, where appropriate, the MD shall respond to shareholders' queries during the AGM. Where necessary, the Chairman will undertake to provide a written answer to any significant questions that cannot be readily answered at the meeting.
- 8.1.5 The Company will ensure that all resolutions set out in the notice of any general meeting or notice of resolution are voted by poll and at least one (1) independent scrutineer is appointed to facilitate poll voting. The results of the poll including the number and percentage of votes cast for and against each resolution shall be announced accordingly.
- 8.1.6 The Board is responsible for ensuring that the minutes of the AGM are published on the Company's website within 30 business days following the conclusion of the AGM.

8.2 Extraordinary General Meeting

- 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 Group 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 and analysts with an overview of the Group'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 A press conference may be held after each general meeting. At such press conference, the Chairman and/or MD and/or CFO and/or Senior Management will give a media briefing explaining the Group's results, prospects and outline any specific event for notation. All press releases will be vetted by the MD or CFO to ensure that information that has yet to be released to Bursa Securities is not released to the press.
- 9.5 The Board must maintain an ongoing communication program to ensure that shareholders are kept appropriately informed of major development within the Group on a timely basis, including the Groups' sustainability strategies, priorities and targets as well as performance against these targets and actions the Groups has or will take to address any gaps.
- 9.6 The Board should acknowledge and address stakeholders' views, feedback or complaints appropriately.
- 9.7 The Group's website, www.limseonghai.com, provides easy access to corporate information pertaining to the Group and its activities and is continuously updated.

10. ANTI-CORRUPTION COMPLIANCE PROGRAMME

- 10.1 The Board maintains a sustainable anti-corruption compliance programme, which includes the Anti-Bribery and Corruption Policy ("ABC Policy") and allocate adequate resources for the effective implementation of the anti-corruption compliance programme. The ABC Policy is available at www.limseonghai.com.

11. WHISTLE-BLOWING POLICY

- 11.1 To enhance corporate governance practices across the Group, the Company adopts a whistle-blowing policy which provides Directors, officers, employees and stakeholders of the Group with an avenue to report suspected improprieties such as illegal or unlawful conduct, breach of the ABC Policy, contravention of the Group's policies and procedures, acts endangering the health or safety of any individual, public or employee, and any act of concealment of improprieties. The aim of such policy is to encourage the reporting of such matters in good faith, with the confidence that the person filing the report, to the extent possible, be protected from reprisal, victimisation, harassment or subsequent discrimination.

12. CODE OF CONDUCT AND BUSINESS ETHICS

- 12.1 The Board is responsible to formalise and maintain a set of ethical standards of behavior expected of all Directors and employees of the Group through the code of conduct and business ethics. The Board should further ensure the effective

implementation and adherence to the code of ethics, in conjunction with the ABC Policy and Whistle-Blowing Policy.

13. RELATIONSHIP WITH OTHER STAKEHOLDERS

- 13.1 While pursuing the vision and mission of the Group, the Board acknowledges that maximising shareholder value is not the sole focus of a sustainable business organisation. The needs and interests of other stakeholders are also taken into consideration.
- 13.2 In this regard, the Board is responsible for the following:
- a) Ensuring that the Group's strategies prioritise and advance sustainability;
 - b) ensuring the rights of other stakeholders are not compromised;
 - c) ensuring the Group has in place a policy to facilitate effective communication with all stakeholders, beyond just shareholders;
 - d) establishing policies governing the Group's relationship with other stakeholders and the broader community; and
 - e) establishing and uploading policies pertaining to environmental practices, employment and occupational health and safety.

14. COMPANY SECRETARY

- 14.1 The Board is responsible for the appointment and removal of the Company Secretary. The Board acknowledges the importance of having a Company Secretary who is suitably qualified and capable in carrying out the duties and responsibilities associated with the role.
- 14.2 The key role of the Company Secretary is to provide unhindered advice and services to the Directors as and when the need arises, to enhance the effective functioning of the Board and to ensure regulatory compliance.
- 14.3 Other primary responsibilities of the Company Secretary shall include:
- (i) advising the Board on matters related to corporate governance and relevant acts and regulations;
 - (ii) ensuring the Board's procedures and applicable rules are observed;
 - (iii) maintaining records of the Board and ensuring proper management of the Company's statutory records;
 - (iv) preparing comprehensive minutes to document the Board proceedings and ensuring conclusions are accurately recorded;

- (v) assisting the communications between the Board and Management;
- (vi) preparing agendas and co-ordinating the preparation of the Board papers; and
- (vii) ensuring availability of information required by new Directors for the proper discharge of their duties.

15. APPLICATION

- 15.1 The principles set out in this Board Charter are:
 - a) kept under review and will be revised as corporate governance practices develop and to remain in conformity with the current applicable laws; and
 - b) applied in practice having regard to both their spirit and general principles.
- 15.2 The Board endeavours at all times to comply with the principles and practices set out in this Board Charter.

16. ANNUAL PERFORMANCE EVALUATION OF THE BOARD, BOARD COMMITTEES AND INDIVIDUAL DIRECTORS

- 16.1 The Board, through the NRC, will conduct an annual self-evaluation and/or peer evaluation for the purpose of assessing the effectiveness of the Board, each individual Director and the Committees established by the Board.
- 16.2 The Board may engage independent experts periodically to facilitate objective and candid board evaluations.

17. REVIEW OF BOARD CHARTER

- 17.1 This Board Charter shall be reviewed periodically and may be amended as and when necessary to ensure its relevance and conformity with the current applicable laws.

(This Board Charter was approved and adopted by the Board on 27 August 2025)

LIM SEONG HAI CAPITAL BERHAD
Registration No. 202001036664 (1392985-A)
BOARD CHARTER

Revision Date	Approval Date	Version	Author/Person Who Approved New / Revised Version	Description/Reason for Change
	6/3/2024	1.0	Board of Directors	
20/8/2025	27/8/2025	2.0	Board of Directors	To establish a Sustainability Committee, align with Bursa's ACE Market requirements and global frameworks.