



JCY INTERNATIONAL BERHAD
[Registration No. 200501031285 (713422 X)]
(Incorporated in Malaysia)

BOARD CHARTER

(Revised on 18 May 2022)

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PART A – INTRODUCTION

1. Objectives

The Board recognises that good corporate governance practices are essential to reinforce stakeholders' confidence in the Company and its Board, which is vital to the success of the JCY Group's businesses.

This Board Charter sets out the composition and balance, roles and responsibilities, governance structure, and processes of the Board. 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.

This Board Charter is not an "all inclusive" document and should be read as a broad expression of principles.

PART B – ROLES AND RESPONSIBILITIES

2. Responsibilities of the Board

The Directors of the Company holding executive positions have the responsibility to manage the business's day-to-day operations, implement board policies, and make strategic decisions for the expansion of the business. The Directors not holding any executive position contribute their expertise and experiences to give independent judgment to the Board on issues of strategy, performance, and resources, including major policies, key directions, and standards of conduct.

In discharging their duties, the Board must exercise due care and diligence, act in good faith in the best interests of the Company, and not misuse the authority assigned to him/her and information possessed by the Company.

The stewardship responsibilities and duties of the Board focus principally on strategies, financial performance, and critical business decisions that may include the following:-

- (i) Reviewing and adopting a strategic plan for the Company;
- (ii) Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;
- (iii) Identifying principal risks of the business, setting the risk appetite within which the Board expects the Management to operate, and ensuring the implementation of appropriate systems to manage these risks;
- (iv) Reviewing the adequacy and integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives, and guidelines;
- (v) Succession planning, including appointing, training, compensating, and, where appropriate, replacing key management; and
- (vi) Developing and implementing an investor relations programme or shareholder communications policy for the Company.

In overseeing the conduct of the Group's businesses, the Board shall ensure that appropriate financial 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 reports.

To enable the Board to discharge its responsibilities in meeting the goals and objectives of the company, the Board should, amongst others –

- together with senior management, promote good corporate governance culture within the company, which reinforces ethical, prudent, and professional behaviour;
- review, challenge and decide on management's proposals for the company, and monitor its implementation by management;
- ensure that the strategic plan of the company supports long-term value creation and includes strategies on economic, environmental, and social considerations underpinning sustainability;
- supervise and assess management performance to determine whether the business is being properly managed;
- ensure there is a sound framework for internal controls and risk management;
- understand the principal risks of the company's business and recognise that business decisions involve the taking of appropriate risks;
- set the risk appetite within which the Board expects 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;
- ensure that 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;
- ensure that the Company has in place procedures to enable effective communication with stakeholders;
- ensure that all its Directors are able to understand financial statements and form a view on the information presented; and
- ensure the integrity of the Company's financial and non-financial reporting.

The Board, together with management, takes responsibility for the governance of sustainability in the Company, including setting the Company's sustainability strategies, priorities, and targets, as well as performance against these targets, which are communicated to its internal and external stakeholders. The Board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the Company and its business, including climate-related risks and opportunities.

The Board identifies a designated person within Management to provide a dedicated focus to managing sustainability strategically, including integrating sustainability considerations in the Company's operations.

3. Chairman of the Board

- (i) The Board will appoint a Chairman from amongst the Directors, responsible for instilling good corporate governance practices, leadership, and effectiveness within the Board.
- (ii) The positions of Chairman and Chief Executive Officer must be held by different individuals.
- (iii) The Chairman of the Board should not be a member of the Audit Committee, Nomination Committee, and Remuneration Committee to ensure there is check and balance as well as objective review by the Board.

- (iv) The Chairman undertakes a leadership role in the conduct of the Board and its relations with shareholders and other stakeholders. The Chairman is primarily responsible for:-
- leading the Board to discharge its fiduciary duties and responsibilities effectively;
 - leading the Board in establishing and monitoring good corporate governance practices in the Company;
 - setting the Board agenda and ensuring that Board members receive complete and accurate information in a timely manner;
 - leading Board meetings and discussions;
 - facilitating the proceedings of Board meetings of the Company to ensure appropriate discussions have taken place and that relevant opinions amongst members are forthcoming;
 - facilitating the effective contributions of Non-Executive Directors;
 - 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 as a whole; and
 - performing other responsibilities as assigned by the Board from time to time.

The Chairman should also ensure that Board Committee meetings are not combined with the main Board meeting to enable objective and independent discussion during the meeting.

4. Senior Independent Non-Executive Director

- (i) The Board identifies and appoints from amongst its members a Senior Independent Non-Executive Director ("**SINED**"), to whom the concerns of Directors and shareholders of the Company may be conveyed. The name of the SINED shall be disclosed in the annual reports of the Company.
- (ii) A designated email sined@jcyinternational.com shall be made available on the Company's website for all shareholders to access/contact the Senior Independent Non-Executive Director.
- (iii) The responsibilities of the SINED would include:-
- a sounding Board for the Chairman;
 - serving as a designated contact person for a 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 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 Management that is necessary or appropriate for the Independent Directors to perform their duties effectively.

5. Executive Committee, Chief Executive Officer, and Executive Directors

- (i) Executive Committee ("**EXCO**") is a management committee whose members shall consist of all the Executive Directors ("**EDs**") of the Board.

- (ii) Chief Executive Officer ("**CEO**") shall be the highest rank executive of the Company and shall be a member of the Board.
- (iii) Where there is no person designated as CEO, all the members of the EXCO shall singly and collectively assume the role of the CEO.
- (iv) The CEO is, in essence, the conduit between the Management and the Board in ensuring the success of the Company's management and governance function. The CEO is responsible for the effective implementation of the Group's strategic plan and policies established by the Board and for managing the daily conduct of the business to ensure its smooth and efficient operations.
- (v) The CEO is accountable to the Board for achieving Group's goals and objectives and is accountable to the Board for observing the Management's limits of authority.
- (vi) At each of its scheduled meetings, the Board should expect to receive from or through the CEO or the EDs:
 - 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 to confirm that the Management's limits are being observed.
- (vii) Generally, the CEO is responsible to the Board for the following:
 - executive management of the Group's business, covering, inter-alia, the development of a sustainable strategic plan, an annual operating plan and budget, performance benchmarks to gauging 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 cost-effectively;
 - effectively overseeing the human resource of the organisation with respect to key positions in the Group hierarchy and ensuring the general well-being of employees, including the determination of remuneration as well as terms and conditions of employment for senior management personnel and issues pertaining to the discipline of all employees;
 - effectively representing the interest of the Group with major customers, governments and their agencies, and industries at large to ensure general goodwill towards the Group and cooperation in planned development;
 - assuring that the Group, corporate identity, products, and services are of high standards and are reflective of the market environment;
 - 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 providing such information to Directors on a timely basis.
- (viii) In discharging the above responsibilities, the CEO can delegate appropriate functions to the EDs or any member of senior management, who shall report to the CEO.

- (ix) The EDs are responsible for assisting the CEO in carrying out and discharging the CEO's duties and responsibilities assigned herein and by the Board from time to time.
- (x) The CEO and EDs are expected to act within all specific authorities delegated by the Board.

6. Independent Non-Executive Director

- (i) Independent 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 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) An Independent Director is especially important in areas where the interests of Management, the Company, and/ or the shareholders/ unitholders diverge, such as executive performance and remuneration, related party transactions, and audits.
- (iii) The Listing Requirements emphasise that even if a person does not fall within any of the disqualifying indicators enumerated 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 that could interfere with their independent judgment. Their role is to provide an 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 advise the Chairman or the Board immediately if they believe they may no longer be independent.

- (iv) The attributes of collegial yet independent decision-making that must be vested in the Independent Director will be determined in part by the character of the individual and that of the whole ethos of the Board.
- (v) The tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. However, upon completion of the nine (9) years, the Independent Director may continue to serve on Board subject to his/her re-designation as Non-Independent Director.

In the event that the Board intends to retain an Independent Director beyond nine (9) years and up to twelve (12) years, the Board shall first justify and seek annual shareholders' approval through a two-tier voting process as guided by the Malaysian Code on Corporate Governance, as follows:-

Tier 1: Only the Large Shareholder(s) of the Company vote; and

Tier 2: Shareholders other than Large Shareholder(s) votes

Large Shareholder(s) means a person who –

- (a) is entitled to exercise, or control the exercise of, not less than 33% of the voting shares in the Company;
- (b) is the largest shareholder of voting shares in the Company;
- (c) has the power to appoint or cause to be appointed a majority of Directors of the Company; or
- (d) has the power to make or cause to be made decisions in respect of the business or administration of the Company, and to give such effect to such decisions or cause them to be given effect to.

The decision for the resolution is determined based on the vote of Tier 1 and a simple majority of Tier 2. If there is more than one Large Shareholder, a simple majority of votes determines the outcome of the Tier 1 vote. The resolution is deemed successful if both Tier 1 and Tier 2 votes support the resolution. However, the resolution is deemed to be defeated where the vote between the two tiers differs or where Tier 1 voter(s) abstained from voting.

- (vii) The Board will undertake a rigorous review to determine whether the 'independence' of the director has been impaired to justify retaining an Independent Director beyond the cumulative term limit of nine (9) years and up to twelve (12) years.

7. Expectations of Individual Director

- (i) Each individual Director must always act within any limitations imposed by the Board on its activities.
- (ii) Directors will use their best endeavours to attend Board meetings where each Director shall commit the time to attend at least 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) 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.
- (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 employer's interest, if applicable.
- (v) Each Director shall commit to providing their relevant expertise and advice in the Company's best interest.
- (vi) Each Director shall abide by all fiduciary and statutory duties and responsibilities of a director as prescribed under Subdivision 3 of Division 2 of the Act and the Listing Requirements.

8. Company Secretary

- (i) The appointment and removal of the Company Secretary is a matter of the Board as a whole.
- (ii) The Board is supported by at least one (1) suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence

to rules and procedures, and advocate the 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 ensure regulatory compliance.
- (iv) Primary responsibilities of the Company Secretary shall include:
- advise the Board on its roles and responsibilities and ensure that Board procedures and applicable rules are observed;
 - 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 corporate disclosures and compliance with Company and securities regulations and Listing Requirements;
 - maintaining complete and accurate statutory records of the Company and ensuring effective management of the organisation's records;
 - preparing comprehensive minutes to document Board proceedings and ensure conclusions are accurately recorded;
 - 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 C – 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 Company. The Board acknowledges the nomination of its members shall be free of discrimination based on the nominees' race, gender, and religion. Without limiting the foregoing, the qualifications for Board membership are:

- the ability to make informed business decisions and recommendations;
- an entrepreneurial talent for contributing to the creation of shareholder value;
- relevant experience;
- the ability to appreciate the bigger picture;
- ability to ask probing operational-related questions, high ethical standards, sound practical sense, and total commitment to furthering the interests of shareholders and the achievement of the Group's goals.

The appointment of a new Director is a matter for consideration and decision by the Board upon appropriate recommendation from the Nomination Committee. For the assessment and selection of potential Directors, the Nomination Committee shall consider the following factors:-

- skills, knowledge, expertise, and experience;
- professionalism;
- diversity;
- commitment;
- contribution and performance;

- integrity and character; and
- in the case of candidates for the position of Independent Non-Executive Directors, the Board shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors.

The appointment of the Board and senior management are based on objective criteria, merits, and with due regard for diversity in skills, experience, age, cultural background, and gender. The Board should use a variety of approaches and sources to ensure that it is able to identify the most suitable candidates. This may include sourcing from a directors' registry and open advertisements or the use of independent search firms.

10. Gender Diversity

- (i) The Board should be committed to workplace diversity, with a particular focus on supporting the representation of women in the composition of Board and senior management positions of the Company.
- (ii) 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.
- (iii) The Board, through the Nomination Committee, should conduct all Board appointment processes in a manner that promotes gender diversity, having regards also to the merits of each candidate.
- (iv) The gender diversity strategies include:-
 - (a) recruiting from a diverse pool of candidates, i.e., from Director's registry, open advertisement, or by the use of independent search firms for all positions, including senior management;
 - (b) reviewing succession plans to ensure an appropriate focus on gender diversity;
 - (c) identifying specific factors to take into account in the recruitment and selection processes to encourage gender diversity;
 - (d) developing programs to develop a broader pool of skilled and experienced senior management and Board candidates, including workplace development programs, mentoring programs, and targeted training and development; and
 - (e) any other strategies the Board develops from time to time.

11. Board Committees

The Board may, from time to time, establish Committees as is considered appropriate to assist in carrying out its duties and responsibilities. The Board delegates certain functions to the following Committees to assist in executing its responsibilities.

- (a) Audit Committee
- (b) Remuneration Committee
- (c) Nomination Committee
- (d) Enterprise Risk Management Committee

Each Board Committee shall operate under their respective clearly defined terms of reference. The Board Committees are authorised by the Board to deal with and deliberate on matters delegated to them within their terms of reference.

(a) Audit Committee

There shall be an Audit Committee established to assist the Board in evaluating the system of financial compliance, internal control, risk management, and independence of the Group's External and Internal Auditors. The Audit Committee plays a crucial role in assisting the Board to scrutinise the information for disclosure to shareholders to ensure material accuracy, adequacy, and timeliness.

The Audit Committee must consist of no fewer than three (3) members. All of the Audit Committee members must be Non-Executive Directors, with the majority of them being independent directors. The Chairman of the Audit Committee is not the Chairman of the Board. He must possess the required pre-requisite accounting qualification as prescribed under the Main Market Listing Requirements to lead the Committee to discharge the Audit Committee's duties.

(b) Remuneration Committee

There shall be a Remuneration Committee established to assist the Board in developing and administering a fair and transparent procedure for setting the policy and framework for Directors' and senior management's remuneration to ensure that the remuneration packages are determined on the basis of the Directors' and senior management's merit, qualification and competence, having regard to the Company's operating results, individual performance, and comparable market statistics. The Board will determine the level of remuneration of Board members and senior management, taking into consideration the recommendations of the Remuneration Committee.

The members of the Remuneration Committee shall compose a majority of Non-Executive Directors, while the Chairman of the Remuneration Committee must be an Independent Non-Executive Director.

(c) Nomination Committee

There should be a Nomination Committee established to assist the Board in assessing, nominating, and selecting new nominees to the Board and Board Committees, as well as to assess the effectiveness and performance of the Board, Board Committees, and the individual Directors of the Company annually. The Nomination Committee shall ensure that the composition of the Board is refreshed periodically. The tenure of each Director should be reviewed by the Nomination Committee, and the annual re-election of a Director should be contingent on a satisfactory evaluation of the Director's performance and contribution to the Board.

All of the Nomination Committee members must be Non-Executive Directors, and the majority of them must be Independent Directors, while the Chairman of the Nomination Committee must be an Independent Non-Executive Director or the Senior Independent Non-Executive Director of the Company.

(d) Enterprise Risk Management Committee

There shall be an Enterprise Risk Management Committee established to assist the Board in overseeing the risk management framework and policies, as well as in managing the risks of the Group.

The Chairman of the Enterprise Risk Management Committee must possess such necessary skills and knowledge in order to lead the committee to discharge its duties.

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 Management.

12. Board Effectiveness Assessment

- (i) The Nomination Committee reviews annually the effectiveness of the Board and Board Committees as well as the performance of individual Directors.
- (ii) The Company has introduced the Board Effectiveness Assessment ("**BEA**") questionnaire to evaluate the performance of the Board, Board Committees, and individual Directors.
- (iii) The evaluation takes place annually and involves Directors completing the BEA questionnaire, covering the Board and Board Committees processes and the effectiveness and contribution of each of the Directors to the Board and Board Committees.
- (iv) The Directors' responses are collated, and a comprehensive summary of the findings and recommendations will be submitted to the Nomination and Remuneration Committee for deliberation, after which the findings and recommendations are escalated to the Board for further review and proposed actions.
- (v) The deliberations of the Nomination Committee on the findings of the BEA are duly minuted at the meetings of the Nomination Committee and the Board.
- (vi) The BEA exercise will include the Directors' feedback on areas that affect the performance of the Board, which, amongst others, include the following:
 - (a) Board mix and composition;
 - (b) Quality of information and decision making
 - (c) Boardroom activities
 - (c) Composition of the Board Committees
 - (d) Contribution and performance of the Board Committees
- (vii) The Board shall consider the engagement of suitably qualified and competent experts/ consultants to facilitate objective and candid Board evaluations for BEA, if necessary.

PART D – BOARD PROCESSES

13. Board of Directors' Meeting

- i. Board meetings will be conducted on a quarterly basis, with additional meetings to be convened whenever necessary. The Company Secretary shall prepare and distribute to all Directors a timetable for the meetings for the year. The Company Secretary shall work together with the Chairman to

- develop an annual work plan to be disseminated to all Directors at the beginning of the year.
- ii. If additional meetings are to be convened, any one (1) Director may request for such a meeting 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 every Director's meeting will be provided in writing. In addition, Directors would also be receiving 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 is not confined to financial data but other non-financial information, both quantitative and qualitative, which are deemed critical in arriving at a sound and informed decision.
 - iv. In events of the Chairman's absence, or if he is not present within fifteen (15) minutes after the time set for the holding of the meeting, the Directors present shall elect one (1) of their members to be the Chairman of the meeting.
 - v. Board members are required to attend the Board meetings. However, other senior officers 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 meeting of the Directors by means of telephone and video conference or by other means of communication. The physical presence of the Director(s) is not compulsory, and participation in the meeting in the manner mentioned earlier 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 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. Board discussions will be open and constructive, recognising that genuinely held differences of opinion could bring greater clarity and lead to better decisions. Nevertheless, the Chairman will seek a consensus in the Board but may, where considered necessary, call for a vote. The proceedings of the Board meeting shall be properly minuted by the Company Secretary, and all Board members should 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.

14. Access to Information and Independent Advice

- i. All Directors have unrestricted access to the advice and services of the Company Secretary and senior management personnel in the Group. The Directors shall also have access to the Internal and External Auditors of the Group, without Management present to seek explanations or additional information.

- ii. All Directors (Executive and Non-Executive) have the same right to access information relevant to the furtherance of their duties and responsibilities as Directors of the Company.

15. 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 to ensure the Directors are able to make independent and informed decisions.
- ii. The CEO shall facilitate the request made in the paragraph above.

16. Continuing Development and Training

- i. The Board shall proactively provide a training programme to Directors to keep them abreast with developments in the marketplace pertaining to the oversight function of the Board 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 discharge their duties as Directors effectively.
- ii. The Board will assess the training needs of the Directors and ensure Directors have access to the continuing education programme.
- iii. All costs incurred ancillary or incidental to the training shall be borne by the Company.

17. Appointment of Directors and Time Commitment of Directors

- i. The duties and responsibilities of recommending the new appointment of Directors have been delegated to the Nomination Committee. Nonetheless, the Board has the ultimate authority to make the final decision in this regard.
- ii. In assessing the suitability of candidates, considerations will be given to their integrity, competencies, commitment, contribution, and performance.
- iii. Any appointment that may cast doubt on the integrity and governance of the Company should be avoided.
- iv. In identifying candidates for appointment of Directors, the Board does not solely rely on recommendations from existing Board members, management, or major shareholders. The Board shall endeavour to utilise independent sources (e.g., directors' registry and open advertisements or use independent search firms) to identify suitably qualified candidates. If the selection of candidates was based on recommendations made by existing Directors, the management, or major shareholders, the Nomination Committee should explain why these source(s) suffice and other sources were not used.
- v. The Board should ensure shareholders have the information they require to make an informed decision on the appointment and re-appointment of a Director. This includes details of any interest, position, or relationship that might influence, or reasonably be perceived to influence, in a material respect, their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the listed company as a whole. The

Board should also provide a statement as to whether it supports the appointment or re-appointment of the candidate and the reasons why.

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 appointments 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.

- vi. All Board members shall notify the Chairman of the Board before accepting any new directorship in other companies. The notification shall indicate the time spent on the new appointment. The Chairman shall also notify the Board if he has any new directorship or significant commitments outside the Company.
- vii. Nomination Committee shall specify its expectation of time commitment for each and every existing Director and new Director to be appointed.

18. Directors' Fit and Proper Policy

- i. A fit and proper policy serve as a guide to the Nomination Committee and the Board in their review and assessment of candidates to be appointed to the Board and Directors who are seeking election or re-election.
- ii. In assessing a person's level of fitness and propriety, the Board, via the Nomination Committee, shall consider the overarching criteria, including but not limited to the following:-
 1. Character and integrity
 - (a) Probity
 - The person is compliant with legal obligations, regulatory requirements, and professional standards;
 - The person has not been obstructive, misleading, or untruthful in dealings with regulatory bodies or a court of law;
 - (b) Personal integrity
 - The person has not perpetrated or participated in any business practices which are deceitful, oppressive improper (whether unlawful or not), or which otherwise reflect discredit on his/her professional conduct;
 - The person's service contract (i.e., in the capacity of management or as a Director) had not been terminated in the past due to concerns about personal integrity;
 - The person has not abused other positions (i.e., political appointment) to facilitate government relations for the Company in a manner that contravenes the principles of good governance;
 - (c) Financial integrity
 - The person manages personal debts or financial affairs satisfactorily;
 - The person demonstrates the ability to fulfil personal financial obligations as and when they fall due;

(d) Reputation

- The person is of good reputation in the financial and business community;
- The person has not been the subject of civil or criminal proceedings or enforcement action in managing or governing an entity for the past 10 years;
- The person has not been substantially involved in the management of a business or company which has failed, where that failure has been occasioned in part by deficiencies in that management;

2. Experience and competence

(a) Qualifications, training, and skills

- The person possesses education qualification that is relevant to the skill set that such Director is earmarked to bring or to bear onto the boardroom (i.e., a match to the Board skill set matrix);
- The person has a considerable understanding of the workings of a corporation;
- The person possesses general management skills as well as an understanding of corporate governance and appreciation of sustainability issues;
- The person keeps knowledge current based on continuous professional development;
- The person possesses leadership capabilities and a high level of emotional intelligence;

(b) Relevant experience and expertise

- The person possesses relevant experience and expertise with due consideration given to the past length of service, nature, and size of business, responsibilities held, number of subordinates as well as reporting lines and delegated authorities;

(c) Relevant past performance or track record

- The person had a career of occupying a high-level position in a comparable organisation and was accountable for driving or leading the organisation's governance, business performance, or operations;
- The person possesses a commendable past performance record as gathered from the results of the Board effectiveness evaluation;

3. Time and commitment

(a) Ability to discharge role having regard to other commitments

- The person is able to devote time as a Board member, having factored in other outside obligations, including concurrent Board positions held by the Director across listed issuers and non-listed entities (including not-for-profit organisations).

- (b) Participation and contribution to the Board or track record
- The person demonstrates a willingness to participate actively in Board activities;
 - The person demonstrates a willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom;
 - The person manifests passion in the vocation of a Director;
 - The person exhibits the ability to articulate views independently, objectively, and constructively;
 - The person exhibits open-mindedness to the views of others and the ability to make a considered judgment after hearing the views of others.
- iii. A person who has been identified for appointment as a Director or re-appointment/re-election as a Director shall be required to make the fit and proper declaration in the form as set out in **Appendix I** of this Board Charter or in such other forms as the Nomination Committee may from time to time prescribe or approve.

19. Directors' Protection Deeds

- (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 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.

20. Directors' Remuneration

- i. The Remuneration Committee is empowered to make recommendations to the Board on the Executive Directors' and senior management's remuneration.
- ii. The Remuneration Committee is guided by the principle to "attract and retain" and, at the same time, links rewards to corporate and individual Executive Directors' performance when determining the Executive Directors' remuneration.
- iii. The remuneration of the Non-Executive Directors will be based on their experience and the level of responsibilities undertaken by them. The proposed remuneration of the Non-Executive Directors shall be a matter for the recommendation of the Board as a whole.
- iv. 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.
- v. Directors' fees payable to Directors are subject to shareholders' approval at the annual general meeting.
- vi. Directors who are shareholders should abstain from voting at general meetings to approve their fees. Similarly, Executive Directors should not be involved in deciding their own remuneration.

21. 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 transferring to a third party, Board members must strictly observe the disclosure requirements and/or provisions under the 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.

22. Succession Plan

The CEO shall formulate an appropriate succession plan for each and every critical position of the Company for the Board's review and approval. At least once a year, the CEO should put forward this agenda item for discussion at the Board meeting.

23. 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 are firmly in its hands. This includes:-

- a. any subject matter outside the ordinary course of business of the Group, which involves a consideration of exceeding 5% of the latest audited consolidated shareholders' equity of the Group;
- b. any subject matter, outside the ordinary course of business of the Group, which would bring an annual profit and loss impact greater than RM10,000,000/- or 10% of the projected consolidated annual net results of the Group, whichever is higher, in the financial year concerned;
- c. any subject matter with a related party that involves a consideration of exceeding 1% of the latest audited consolidated shareholders' equity of the Group;
- d. any subject matter with a related party that would bring an annual profit and loss impact greater than RM500,000 or greater than 0.5% of projected consolidated net results of the Group, whichever is higher, in the financial year concerned;
- e. any subject matter related to bank or capital market borrowings or providing securities or corporate guarantees;
- f. 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;
- g. any subject matter which will substantially affect the reputation, image, profitability, and sustainability of the Company and/or its major subsidiaries;
- h. any subject matter which relates to conflict of interests of Directors and/or major shareholders;

- i. any subject matter which had been delegated to any sub-committee of the Board;
- j. appointment of external auditors;
- k. announcements to Bursa Malaysia Securities Berhad;
- l. the anti-bribery and anti-corruption policy;
- m. any subject matter which is required by the Constitution, law, or any other statutory requirements to be decided by the Board or shareholders in a general meeting; and
- n. any subject matter which the Board may decide requires its approval.

PART E – ACCOUNTABILITY AND AUDIT

24. Appointment, Assessment, and Removal of External Auditor

- a. The duties and responsibilities of assessing, recommending the appointment/removal, and fixing remuneration for the external auditor have been delegated to the Audit Committee. Nonetheless, the appointment of the external auditor is to be approved by shareholders.
- b. Appointment, assessment, and removal of external auditor shall be conducted in accordance with the Companies Act 2016 and Listing Requirements.
- c. The external auditor, if dismissed by the Board, shall be provided with an opportunity to address to shareholders in the next immediate general meeting after the dismissal.

25. 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. Management is responsible for implementing the processes for identifying, evaluating, monitoring, and reporting risks and internal control, taking appropriate and timely corrective actions as needed, and providing assurance to the Board that the processes have been carried out.
- ii. The Audit Committee has been entrusted by the Board to ensure the effectiveness of the Group's internal control systems.
- iii. An Internal Audit Department shall be established to assist the Audit Committee in discharging its duties on the review of the systems of internal control. The Internal Audit Department shall report directly to the Audit Committee.
- iv. The Head of the Internal Audit Department shall possess such necessary qualifications and experience to carry out his/her duties and ensure

internal audit works are performed according to professional standards and guidelines.

- v. Recognising that the internal control system must continuously improve to meet the challenging business environment, the Board will 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 teams.
 - (ii) An Enterprise Risk Management Committee shall be established to assist the Board in assessing and managing risks faced by the Group. Any significant issues and controls implemented shall be discussed at the regular operations and management meetings.
 - (iii) A sound risk management framework shall be established to govern the risk management system of the Group.

26. Commitment to Corporate Governance

The Board is committed to upholding and implementing the highest corporate governance standards and best practices throughout its businesses.

27. Policies and Guidance

The Board may establish policies or guidance to expressively record its stance on targeted subject matters and attach it to this Board Charter as appendices. The policies or guidance so attached shall form part of this Board Charter.

28. Application of Board Charter

- a. The principles set out in this Board Charter are:-
 - a) Kept under review and updated as practices on corporate governance and further guidelines on corporate governance or Listing Requirements are issued by the relevant regulatory authority;
 - 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 of the Company as part of the narrative statements by the Directors on Corporate Governance Overview Statement.
- b. The Board endeavours to comply at all times with the principles and practices as set out in this Board Charter.

29. Review of the Board Charter

The Board will review this Board Charter on a periodic basis, and the Board may amend this Board Charter 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 Board's commitment to best practices in corporate governance.

The Board Charter is made available for reference on the Company's website at www.jcyinternational.com.

JCY INTERNATIONAL BERHAD
 [Registration No. 200501031285 (713422 X)]
 (Incorporated in Malaysia)

Appendix I

DIRECTORS' DECLARATION OF FIT AND PROPER

Name : _____ **NRIC/Passport No. :** _____

do hereby solemnly affirm and declare the following:-

No.	Criteria	Yes	No
Probity, Personal Integrity, and Reputation			
1.	I have not been the subject of any proceedings of a disciplinary or criminal nature or have been notified of any impending proceedings or of any investigations which might lead to such proceedings;		
2.	I have not contravened any provision made by or under any written law designed to protect members of the public against financial loss due to dishonesty, incompetence, or malpractice;		
3.	I have not contravened any of the requirements and standards of a regulatory body, professional body, government, or its agencies;		
4.	I or any business in which I have a controlling interest or exercise significant influence, have not been investigated, disciplined, suspended, or reprimanded by a regulatory or professional body, a court or tribunal, whether publicly or privately;		
5.	I have not been engaged in any business practices which are deceitful, oppressive, or otherwise improper (whether unlawful or not) or which otherwise reflect discredit on my professional conduct;		
6.	I have not been dismissed, asked to resign, or have resigned from employment or a position of trust, fiduciary appointment, or similar position because of questions on my honesty and integrity;		
7.	I have not been associated, in ownership or management capacity, with a company, partnership, or other business association that has been refused registration, authorisation, membership, or a license to conduct any trade, business, or profession or has had that registration, authorisation, membership or licence revoked, withdrawn or terminated;		
8.	I have not held a position of responsibility in the management of a business that has gone into receivership, insolvency, or involuntary liquidation while I was connected with that business;		
9.	I have not been a director of, or have been directly concerned in the management of, any corporation which is being or has been wound up by a court or other authority competent to do so within or outside Malaysia or of any licensed institution, the licence of which has been revoked under any written law;		

JCY INTERNATIONAL BERHAD
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(Directors' Declaration of Fit and Proper – cont'd)

10.	In the past, I have not acted unfairly or dishonestly in my dealings with my customers, employer, auditors, and regulatory authorities;		
11.	I have not at any time shown a strong objection or lack of willingness to cooperate with regulatory authorities and failure to comply with legal, regulatory and professional requirements and standards, including compliance with tax requirements and obligations;		
12.	I have not contributed significantly to the failure of an organisation or a business unit;		
13.	I have not at any time shown strong objection or a lack of willingness to maintain effective internal control systems and risk management practices; and		
14.	I am free from any business or other relationship that could materially pose a conflict of interest or interfere with the exercise of my judgement when acting in the capacity of a Director of JCY International Berhad and/or JCY Group, which would be disadvantageous to JCY or JCY's interest.		
Financial Integrity			
15.	I am and will be able to fulfil my financial obligations, whether in Malaysia or elsewhere, as and when they fall due;		
16.	To my knowledge, I have not been the subject of a judgement debt that is unsatisfied, either in whole or in part, whether in Malaysia or elsewhere.		
17.	I have not made arrangements with creditors, filed for bankruptcy or been adjudicated bankrupt, or had assets sequestered in any jurisdiction.		

* Where you have not ticked 'YES', please explain and/or provide the relevant documents

Explanation for items not ticked 'YES'	
No.	Explanation

 Signature
 Name:
 Date: