



SINARAN ADVANCE GROUP BERHAD
[Registration No. 202001007513 (1363833-T)]
(Incorporated in Malaysia)

BOARD CHARTER

1. OVERVIEW

The Board of Directors ("**the Board**") of Sinaran Advance Group Berhad ("**the Company**") collectively leads and is responsible for the success of the Company and its subsidiary companies ("**the Group**") by providing entrepreneurial leadership and direction as well as supervision of the management. The Board is the ultimate decision making body.

The Board Charter sets out the board structure, roles and responsibilities of the Board in line with the Malaysian Code on Corporate Governance ("**MCCG**").

The duties, power and functions of the Board are governed by the Company's Constitution, the Companies Act 2016, regulatory guidelines and requirements that are in force.

2. BOARD STRUCTURE

2.1 Board Balance and Mix

- i. The number of directors shall not be less than two (2) and provided always that for so long as the shares of the Company are listed on Bursa Malaysia Securities Berhad and/or such other stock exchange in respect of which the shares of the Company may be listed or quoted ("**Designated Stock Exchange**"), at least one (1) Director (or such other number of Directors as required from time to time by the Designated Stock Exchange) shall have his principal or only place of residence within Malaysia.
- ii. In accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company must ensure that at least two (2) directors or one-third (1/3) of the Board of Directors of the Company, whichever is the higher, are independent directors. If the number of directors of the Company is not three (3) or a multiple of three (3), then the number nearest one-third (1/3) must be used.
- iii. All newly appointed directors shall retire and be re-elected by the shareholders at the next annual general meeting of the Company and shall then eligible for re-election.

2.2 Tenure of Directors

- (i) Pursuant to the Company's Constitution, one-third (1/3) of the directors for the time being, or, if their number is not a multiple of three, the number nearest to but not less than one-third (1/3), shall retire from office by rotation, and an election of directors shall take place at each

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annual general meeting of the Company. Each director shall retire once in every three (3) years but shall be eligible for re-election.

- (ii) The directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became directors on the same day those to retire (unless they otherwise agree among themselves) be determined by lot.
- (iii) Any director appointed by the Board during the financial year shall hold office only until the next annual general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the number of directors who are to retire by rotation at such meeting.
- (iv) The tenure of an Independent Director should not exceed a cumulative term of nine (9) years unless it is recommended by the Nomination Committee and the Board is satisfied that he or she is able to continue bring independent judgement to the Board deliberations. Otherwise, upon completion of the nine years, an Independent Director may continue to serve on the Board as a Non-Independent Director.

2.3 Directors' Fit and Proper Policy

- 2.3.1 A fit and proper policy serves as a guide to the Nomination Committee and the Board in their review and assessment of candidates that are to be appointed onto the Board as well as Directors who are seeking for election or re-election.
- 2.3.2 The Nomination Committee will review the composition of the continuing members of the Board and Board committees annually and make recommendation(s) to the Board for any new appointment to the Board or Board committees when necessary, and annual re-election of the Directors. The Board then determines whether or not to approve the recommendation of the new appointment, election and re-election.
- 2.3.3 All members of the Board are required to have the character, experience, integrity, competence and time to perform their duties and carry out their responsibilities required in their position in an effective manner.
- 2.3.4 In assessing a person's level fitness and propriety, the Board via the Nomination Committee, shall consider the overarching criteria include but not limited to the following:-
 - (A) Character and integrity
 - (i) 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;

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(ii) 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 professional conduct;
- service contract (i.e. in the capacity of management or director) had not been terminated in the past due to concerns on 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;

(iii) Financial integrity

- The person manages personal debts or financial affairs satisfactorily;
- The person demonstrates ability to fulfil personal financial obligations as and when they fall due;

(iv) Reputation

- The person is of good repute 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;

(B) Experience and competence

(i) Qualifications, training and skills

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

(ii) Relevant experience and expertise

- The person possesses relevant experience and expertise with due consideration given to past length of service, nature and size of business, responsibilities held, number

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of subordinates as well as reporting lines and delegated authorities;

(iii) 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 commendable past performance record as gathered from the results of the board effectiveness evaluation;

(C) Time and commitment

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

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

(ii) Participation and contribution in the Board or track record

- The person demonstrates willingness to participate actively in board activities;
- The person demonstrates 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 ability to articulate views independently, objectively and constructively;
- The person exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

2.3.5 A person who has been identified for appointment as a Director or for 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 1 of this Board Charter or in such other forms as the Nomination Committee may from time to time prescribe or approve.

2.4 Company Secretary

The appointment and removal of the Company Secretary is a matter for the Board as a whole. The Board recognises the fact that the Company Secretary should be suitable qualified and capable of carrying out the duties required.

2.5 Board Committee

(i) As part of its efforts to ensure the effective discharge of its duties, the Board has delegated certain functions to certain Committees with each operating within it is clearly defined terms of reference. The Chairman of the various Committees will report to the Board on the outcome of the Committee meetings.

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- (ii) The Board has established the following Committees to assist the Board in the execution of its duties:
 - (a) Audit Committee
 - (b) Remuneration Committee
 - (c) Nomination Committee
 - (d) Risk Management Committee
- (iii) The Chairman of the relevant Board Committees will report to the Board on the key issues deliberated by the Board Committees at the Board meetings.

2.6 The Board's Relationship with Shareholders

- (i) The Board will maintain an effective communications policy that enables both the Board and Management to communicate effectively with shareholders and the general public.
- (ii) The Board will ensure that the General Meetings of the Company are conducted in an efficient manner and serve as a mode in shareholders communications. These include the supply of comprehensive and timely information to shareholders and the encouragement of active participation at the General Meetings.

3. ROLES AND RESPONSIBILITIES OF BOARD

3.1 Role of Board

- (i) The functions of the Board are to:-
 - a. Promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour.
 - b. Review, challenge and decide on Management's proposals for the Group and monitor its implementation by Management.
 - c. Monitor the compliance with all relevant statutory and legal obligations.
 - d. Review and set the Group's strategic plan and direction and ensure that resources are available to meet its objectives and supports long-term value creation.
 - e. Supervise the operations of the Group to evaluate whether established targets are achieved and the business are being properly managed.
 - f. Identify principal risks and ensure the implementation of appropriate systems to manage these risks.
 - g. Promote better investor relations and shareholder communications.
 - h. Ensure that the Group's core values, vision and mission and shareholders' interests are met.
 - i. Review the adequacy and the integrity of the Group's internal control systems including systems for compliance with applicable laws, regulations, rules, directives and guidelines.
 - j. Approving and monitoring the risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risk.

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- k. Establish such committees, policies and procedures to effectively discharge the Board's roles and responsibilities.
- l. Initiate a Board self-evaluation program and follow-up action to deal with issues arising and arrange for directors to attend courses, seminars and participate in development programs as the Board judges appropriate.
- m. Ensure that the Company has appropriate corporate governance structures in place including standards of ethical behaviour and promoting a culture of corporate responsibility.

3.2 Responsibilities of the Chairman and Chief Executive Officer

(i) The Chairman is responsible for:

- a. Leadership of the Board.
- b. Overseeing the effective discharge of the Board's supervisory role.
- c. Facilitating the effective contribution of all directors.
- d. Conducting the Board's function and meetings.
- e. Briefing all the directors in relation to issues arising at meetings.
- f. Scheduling regular and effective evaluations of the Board's performance.
- g. Promoting constructive and respectful relations between Board members and between the Board and the Management.

(ii) The Chief Executive Officer is responsible for:

- a. Strategic business direction, plans and policies of the Group.
- b. The efficient and effective operation of the Group.
- c. Day-to-day management of the Group with all powers, discretions and delegations authorised, from time to time, by the Board.
- d. Bringing material matters to the attention of the Board in an accurate and timely manner.

3.3 Role of Executive and Non-Executive Directors

Executive directors are, as employees, involved in the day to day management of the company.

Non-Executive directors ("**NEDs**") can be classified as:

- (i) No direct or indirect pecuniary interest in the company other than their directors; emoluments and their "permitted" shareholdings in the company;
- (ii) Not employees of the company or affiliated with it in any other way and are not involved in the day to day running of business but may have pecuniary interest in the company, whether direct or indirect; or
- (iii) Not employees of the company but are standing as nominees for substantial shareholders.

Non-executive directors may act as a bridge between management and stakeholders, particularly shareholders. They could provide the relevant checks and balances, focusing on shareholders' and stakeholders' interests and ensuring that high standards of corporate governance.

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3.4 Role of Committees

The roles and responsibilities of Audit, Remuneration, Nomination and Risk Management Committees are set out in the terms and reference of each Committee.

4. BOARD PROCESSES

4.1 Board Meetings

- (i) Meetings will be conducted at least four (4) times in a financial year, although additional meetings may be called at any time at the Chairman's discretion.
- (ii) The quorum of Board meeting is two (2) members, present in person.
- (iii) Proceedings of all meetings are minuted and signed by the Chairman of the meeting. Minutes of all Board meetings are circulated to the directors and approved by the Board at the subsequent meeting. Directors' Circular Resolutions approved by majority of the directors (and for so long as the shares of the Company are listed on the Designated Stock Exchange shall include at least 2 Independent Directors) are as valid and effectual as if the resolutions had been passed at the meeting of the directors provided such number of directors approving the resolution is sufficient to form a quorum. The resolutions are to be recorded in the Company's minute book kept by the Company Secretary.
- (iv) Actions on all matters arising from any meeting are reported at the following meeting.
- (v) The Board may invite external parties such as auditors (both internal and/or external auditors), solicitors or consultants as and when the need arises. Such invited parties may attend part or all of the Board Meeting at the discretion of the Board.

4.2 Notices and Meeting Papers

- (i) The notice of Board meetings shall be issued at least seven (7) days prior the meeting.
- (ii) As a best practice and allow ample time for directors to study and evaluate the matters to be discussed and subsequently make effective decisions, the Board papers and agenda items shall be circulated at least seven (7) days prior to the meeting.
- (iii) Minutes prepared following the Board meeting will be circulated in draft form. The draft minutes will be re-circulated with the Board papers in readiness for signing at the following meeting. Issues discussed in arriving at each Board's decision including whether any director abstained from voting or deliberating on a particular matter shall be recorded.

4.3 Access to information

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- (i) The directors have unrestricted access to the advice and services of the Company Secretary and Senior Management staff in the Group and may obtain independent professional advice at the Company's expense in the furtherance of their duties.
- (ii) The directors acknowledge that confidential information received in the course of exercise of the Board duties remains the property of the Group, whether it relates to the Group or another entity. It will not be disclosed unless either the Chairman of the Board has so authorised in writing or disclosure is required by law.

4.4 Directors' Training

- (i) The directors are regularly updated by the Company Secretary on new statutory, corporate and regulatory developments relating to directors' duties and responsibilities or the discharge of their duties as directors of the Company.
- (ii) The directors remain committed to undergoing further continuing education training programmes to upgrade and enhance their business acumen and professionalism in discharging their duties to the Group.

5. REVIEW OF BOARD CHARTER

The Board Charter shall be reviewed by the Board annually to ensure they remain consistent with the Board's objectives and responsibilities, and relevant laws, regulations, guidelines and standards of corporate governance.

The Board Charter was adopted by the Board of Directors on 27 May 2022.