



KHIND HOLDINGS BERHAD
REGISTRATION NO.: 199601007964 (380310-D)
(Incorporated in Malaysia)

BOARD CHARTER

BOARD CHARTER

1. PURPOSE AND OBJECTIVE

- 1.1 The Board of Directors ("Board") of Khind Holdings Berhad ("Khind" or "the Company") regards corporate governance as important principles and best practices to be upheld, and will continuously implement and carry out good governance practices throughout the Company and its subsidiaries ("Group").
- 1.2 The objective of this Board Charter is to ensure that all Board members are fully aware of their roles and responsibilities as Board members and the various regulations that may have an impact on the discharge of the Board's responsibilities. In pursuit of the principles set out in this Board Charter, the Board shall commit to employ the principles of integrity, transparency and professionalism to ensure that the principles of good corporate governance are applied in all the Group's business dealings in respect of its shareholders and relevant stakeholders so that shareholders' investment, value and interests of the stakeholders are safeguarded.
- 1.3 The guiding principles of this Board Charter include the following:
- (a) Companies Act 2016 ("Act");
 - (b) Constitution of Khind;
 - (c) Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities");
 - (d) Malaysian Code of Corporate Governance ("MCCG"); and
 - (e) Any other applicable laws or regulatory requirements.

In the event of a conflict between the Constitution of the Company and this Board Charter, the provisions of the former shall have precedence subject to compliance with the legislation and regulatory requirements.

2. BOARD SIZE AND COMPOSITION

- 2.1 The size of the Board shall be in accordance with the Constitution of the Company. The Board shall, with the assistance of the Nomination Remuneration Committee ("NRC"), review the size and composition of the Board from time to time, to determine the impact on the Board's effectiveness and ensure the Board is periodically refreshed.
- 2.2 The Constitution of the Company provides for a minimum of two (2) Directors.
- 2.3 In accordance with the MMLR of Bursa Securities, at least two (2) Directors or one-third (1/3rd) of the Board, whichever is the higher, are Independent Non-Executive Directors. If the number of Directors is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3rd) must be used.
- 2.4 In the event of any vacancy in the Board, resulting in non-compliance with paragraph 2.3 above, the Company must fill the vacancy within three (3) months.

- 2.5 The Chairman of the Board shall not be a member of the Audit Committee ("AC") and NRC.
- 2.6 Pursuant to paragraph 15.02(1)(b) of the Listing Requirements, the Board shall comprise at least 1 woman Director. However, the Board will pursue its target of 30% women Directors to maintain a balance Board Composition in line with Practice 5.9 of the MCGG.
- 2.7 The Board shall consist of qualified individuals with diverse professional background, skills, extensive experience and knowledge necessary to govern the Company.
- 2.8 Appointment of a new Director is a matter for consideration and decision by the Board, upon the recommendation from the NRC. In making these recommendations, the NRC will be guided by Terms of Reference of the NRC and Directors' Fit & Proper Policy in assessing the suitability of candidates, taking into account the qualifications, credentials, core competencies vis-à-vis the composition, the required mix of skills, expertise and experience, character, professionalism, integrity, competencies, time commitment, independency and other qualities, which the potential candidate would bring to the Board to effectively discharge his/her role as Director of the Company.
- 2.9 No person shall be appointed, re-appointed, elected or re-elected as a Director on the Board or continue to serve as a Director if the person is or becomes an active politician. 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.
- 2.10 Upon the appointment of a Director, the said Director shall provide to Bursa Securities an undertaking prescribed by Bursa Securities in any event not later than fourteen (14) days.
- 2.11 New Directors are expected to have such expertise as to qualify them to make a positive contribution to the Board performance of its duties. New Directors are required to commit sufficient time to attend the Company's meetings or matters before accepting his/her appointment to the Board.
- 2.12 The Board shall not solely rely on recommendations from existing Board members, management or major shareholders for identifying candidates for appointment of Directors. The Board may utilise independent sources to identify suitably qualified candidates.

3. TENURE OF DIRECTORS

- 3.1 Pursuant to the Constitution of the Company, a new Director appointed by the Board to fill a casual vacancy or as an addition to the Board shall hold office only until the next Annual General Meeting ("AGM") at which he/she will retire and be available for re-appointment. One-third (1/3rd) of the Board, or if their number is

not a multiple of three (3), then the number nearest to one-third ($1/3^{\text{rd}}$), shall retire from office and be eligible for re-election at every AGM. All Board members are subject to retirement by rotation at least once in every three (3) years and be eligible for re-election.

- 3.2 The Board, with the assistance of the NRC, will assess the Directors' standing for re-election. The re-election of a Director shall be subject to Directors' Fit & Proper Policy and satisfactory evaluation of the Director's performance and contribution to the Board.
- 3.3 The tenure of an Independent Non-Executive Director shall not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an Independent Non-Executive Director, may continue to serve on Board as a Non-Independent Non-Executive Director.
- 3.4 If the Board intends to retain an Independent Non-Executive Director beyond nine (9) years, the Board shall provide justification and seek annual shareholders' approval through a two-tier voting process.
- 3.5 An Independent Non-Executive Director who served for a cumulative period of more than twelve (12) years from the date of his/her first appointment as an independent director must resign or be re-designated as Non-Independent Director in the Company.
- 3.6 A candidate shall not be considered fit for directorship if he or she:-
- (a) has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence in connection with the promotion, formation or management of a corporation;
 - (b) has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence involving bribery, fraud or dishonesty or where the conviction involved a finding that he acted fraudulently or dishonestly; or
 - (c) has been convicted by a court of law of an offence under the securities laws of Malaysia or the Act,

within a period of five (5) years from the date of conviction or if sentenced to imprisonment, from the date of release from prison, as the case may be.

- 3.7 The office of a Director shall become vacant if the Director:-
- (a) falls within the circumstances set out in Section 208 of the Act, where the Director:-
 - (i) resigns from office as Director by giving a written notice to the Company at its registered office;
 - (ii) retires in accordance with the Act or the Constitution of the Company but is not re-elected;
 - (iii) is removed from office in accordance with the Act or the Constitution of the Company;

- (iv) becomes disqualified from being a Director under Section 198 or 199 of the Act;
 - (v) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001;
 - (vi) dies; or
 - (vii) otherwise vacates office in accordance with the Constitution of the Company;
- (b) is absent from more than 50% of the total Board meetings held during a financial year; or
- (c) is convicted by a court of law, whether within Malaysia or elsewhere, in relation to the offences listed in 3.6 above.

4. DIRECTORS' TIME COMMITMENT

- 4.1 A Director shall not hold more than five (5) directorships in listed issuers as prescribed by Bursa Securities.
- 4.2 The Board should obtain this commitment from Directors prior to their appointment. Every Director must attend at least 50% of the total Board of Directors' meetings held during a financial year. A Director shall vacate office if he/she absent for more than 50% of the total Board meetings held during the financial year.
- 4.3 A Director may accept appointments to other boards, provided that such appointments do not result in any conflict of interests with the Group and does not detrimentally affect the Director's performance as a Board member. The Director shall notify the Chairman before accepting any new directorships and the notification shall provide for an indication of time that will be spent on the new appointment.

5. ROLES AND RESPONSIBILITIES

5.1 The Board

In order to ensure effective discharge of the Board's functions, the Board assumes, amongst others, the following roles and responsibilities:-

- (a) together with Senior Management, promote good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour;
- (b) review, challenge and decide on Management's proposals for the company, and monitor its implementation by Management;
- (c) ensure that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- (d) supervise and assess Management's performance 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 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 Senior Management has the necessary skills and experience and there are measures for orderly succession of Board and Senior Management;
- (i) ensure the Company has in place procedures to enable effective communication with stakeholders;
- (j) ensure all Directors are able to understand financial statements and form a view on the information presented; and
- (k) ensure the integrity of the Company's financial and non-financial reporting.

A schedule of matters reserved for the collective decision of the Board is listed in Annexure A. The Schedule is non-exhaustive and may be amended by the Board.

5.2 Board Committees

The Board has established the following Board Committees:

- (a) AC;
- (b) NRC; and
- (c) Risk Management Committee.

The Board Committees operate under their own defined Terms of Reference and are authorised by the Board to deal with and deliberate on matters delegated to them within their Terms of Reference.

The Chairman of the respective Board Committees shall report to the Board on the outcome of the Board Committee meetings and update the Board on significant issues and concerns discussed and where appropriate, make the necessary recommendations to the Board.

In addition to the above Board Committee, the Board may establish ad-hoc Board Committees as may be deemed appropriate to assist the Board in carrying out its duties and responsibilities.

The Board is collectively responsible for any decision taken by any Board Committee. A Board Committee may only perform the tasks delegated to it by the Board and should not exceed the authority conferred on it by the Board. Decisions which by law should be made by the Board shall not be delegated to a Board Committee.

5.3 The Executive Chairman

The Executive Chairman shall be responsible for the following:

- (a) leading the Board in setting its values, ethical standards and good corporate governance practices in the Group;
- (b) developing corporate strategies;
- (c) attaining long-term growth objectives of the Group;
- (d) mentoring the Group Chief Executive Officer ("Group CEO");
- (e) leading Board discussions, encourage active participation and allowing dissenting views to be freely expressed;
- (f) setting the agenda for Board Meetings with assistance of the Company Secretary and ensuring all relevant issues for the effective running of the Company's business are on the agenda;
- (g) managing the interface between Board and Management;
- (h) ensuring proper flow of information to the Board, reviewing adequacy and timing of documentary materials in support of Management's proposal and review of performance of the Company and/or Group;
- (i) ensuring effective communication with shareholders and relevant stakeholders;
- (j) ensuring compliance with all relevant regulations and legislations; and
- (k) presiding over the Board and general meetings of the Company.

The Executive Chairman shall allow every board resolution to be voted on and ensure the will of the majority prevails. In determining policies matters, he should ensure that the following are carried out:-

- (i) all Directors are properly briefed on issues arising at Board meetings; and
- (ii) there is sufficient time allowed for discussion on complex or contentious issues and where appropriate, arrange informal meetings beforehand to enable thorough preparations.

5.4 The Individual Directors

All Directors are expected to comply with their legal, statutory and equitable duties and obligations when discharging their responsibilities as Directors.

Broadly these include:-

- (a) demonstrating financial literacy required for a proper understanding of the Group's activities and associated risks, maintaining a sound understanding of the business and keeping abreast of relevant developments to ensure they are able to discharge their duties and responsibilities effectively;
- (b) reading the financial statement of the Company and carefully consider whether the disclosures are consistent with their own knowledge of the Company's affairs;

- (c) exercising reasonable care, skill and diligence that commensurate with their respective knowledge, area of expertise and experience when carrying out their duties;
- (d) objectively discharging their duties and responsibilities, and exercising their powers for a proper purpose as fiduciaries in the interests of the Company;
- (e) acting with integrity and leading by example;
- (f) devoting time to prepare for and attending Board and Board Committee and general meetings;
- (g) not to make use of any information acquired by virtue of their position to gain directly or indirectly an improper advantage for themselves or for any other person or to cause detriment to the Company; and
- (h) avoiding conflicts of interest. Directors shall, as soon as practicable after the relevant facts have come to their knowledge, declare the nature of their interest at a meeting of the Directors of the Company. Each Director shall give notice to the Company of such events and matters relating to him/her as may be necessary or expedient to enable the Company and its officers to comply with the requirements of the Act.

5.5 The Independent Non-Executive Directors

The Independent Non-Executive Directors shall provide independent judgment and objectivity without being subordinated to operational considerations. The Independent Non-Executive Directors help to ensure that the interests of all shareholders, and not only the interests of a particular group, and that all relevant matters and issues are objectively and impartially considered by the Board.

The roles of an Independent Non-Executive Director, amongst others, are as follows:-

- (a) provide objective and independent judgement on issues;
- (b) ensure that the interests of the Company, shareholders and stakeholders are well taken into account;
- (c) mitigate any potential conflict of interest that may arise in the governance of the Group;
- (d) monitor the areas of discussion, notably those where potential conflicts of interest may arise; and
- (e) provide a check and balance to the Board.

An Independent Director must immediately disclose to the Board in the event of any change in his/her circumstances that may affect his/her objectivity and/or status as an Independent Director. In such case, the Board must review the Director's designation as an Independent Director.

5.6 The Senior Independent Non-Executive Director

The Board may appoint a Senior Independent Non-Executive Director. The Senior Independent Non-Executive Director shall:-

- (a) act a sounding board for the Executive Chairman;
- (b) act as an intermediary for other Directors when necessary; and
- (c) be the point of contact for shareholders and other stakeholders.

5.7 The Group CEO

The Board has delegated to the Group CEO, the authority to manage the day-to-day affairs of the Company and the authority to control the affairs of the Company in relation to all matters other than those matters that are reserved for the Board in this Board Charter.

The Group CEO has the authority to sub-delegate such authority and power to Senior Management as he or she may determine from time to time for the effective management and performance of the Group.

The role of the Group CEO, with the support of Senior Management, is to:-

- (a) oversee the day-to-day operations of the Group and implement the strategies, plans, budgets and policies approved by the Board;
- (b) develop and recommend to the Board the strategic business plans, annual operating plans and budgets that support the Group's short-term and long-term strategies in consultation with the Executive Chairman;
- (c) monitor the performance of the Group against the performance and sustainability targets and reporting to the Board;
- (d) provide strong leadership to employees of the Group;
- (e) drive strategic management of material sustainability matters;
- (f) assess business opportunities which are of potential benefit to the Group;
- (g) assess the principal risks of the Group and ensuring that these risks are being monitored and managed;
- (h) communicate effectively with shareholders, employees, Government authorities, other stakeholders and the public;
- (i) keep the Board fully informed of all important aspects of the Group's operations and bring material and other relevant matters to the attention of the Board in an accurate and timely manner;
- (j) ensure effective internal controls and legal compliance and governance measures are deployed; and
- (k) act within specific authorities delegated by the Board and ensure the limits of authority accorded by the Board are observed.

5.8 Senior Management

Senior Management's role and responsibilities include the following:-

- (a) together with the Group CEO, formulate the corporate strategy for the Board's approval. Once approved, implement it accordingly;
- (b) assume day-to-day responsibility for the Company's conformance with relevant laws and regulations and its compliance framework;
- (c) achieve the performance targets set by the Board;

- (d) formulate, implement and update the Group's standard operating policies and procedures;
- (e) be alert to relevant trends in the Group's industries and operating environment;
- (f) drive strategic management of material sustainability matters;
- (g) develop, implement and manage the Group's risk management and internal control frameworks; and
- (h) provide accurate, timely and clear information to the Board to enable the Board to effectively perform its responsibilities.

6. BOARD MEETINGS

- 6.1 The proceedings of Board meetings shall be in accordance with the Constitution of the Company.
- 6.2 Board meetings shall conduct at least four (4) times on a quarterly basis in each financial year, with additional meetings to be convened as and when necessary. The Company Secretary shall in advance prepare and distribute to all Directors a timetable for the meetings for the year.
- 6.3 The notice of a Board meeting and meeting materials shall be given in writing at least five (5) business days (or a shorter period where it is unavoidable) prior to the meeting to the Directors.
- 6.4 The Executive Chairman, together with Management and the Company Secretary, shall undertake the primary responsibility for preparing the agenda for the Board meetings. The agenda shall include amongst others, matters specifically reserved for the Board's decision, high-priority strategic issues and where required, operational issues. The Board shall record its deliberation, in terms of the issues discussed, and the conclusions thereof, in discharging its duties and responsibilities.
- 6.5 Management is responsible for providing the Board with the required information. Each Director will, prior to attending the meetings, review all materials provided by the Company relating to matters to be considered at the meetings.
- 6.6 Management and external advisers may be invited to attend Board meetings to provide additional insights and professional views, advice and explanations on specific items on the meeting agenda.
- 6.7 Minutes are prepared following a Board meeting and are circulated in draft form. The draft minutes will be re-circulated with the Board papers in readiness for signing at the following meeting. The practice is for minutes to record processes and decisions rather than a historical narrative of the discussion or concluding remarks of final decisions made. If one or more Directors request their opinion to be noted, the Company Secretary shall comply with the request. If any Director holds dissenting views to those of any of the other Directors on a matter discussed at a Board meeting, the Board minutes will be clearly reflected, including the rationale for the conflicting view.

- 6.8 The Board minutes of each Board meeting shall be kept at the Registered Office of the Company and be made available for inspection by any Director during office hours.
- 6.9 The Executive Chairman shall ensure that Board Committee meetings are not combined with the main Board meeting as to enable objective and independent discussion during the meetings.

7. DIRECTORS' INDUCTION AND TRAINING

- 7.1 Each newly appointed Director is expected to participate in an induction program on appointment and undertake ongoing education and training to maintain the skills and knowledge required to perform his/her role effectively.
- 7.2 A newly appointed director is to undergo the Mandatory Accreditation Programme as required by Bursa Securities within four (4) months of being appointed as required under the MMLR if he/she is appointed for the first time as a director of a listed issuer.
- 7.3 Directors are required to attend relevant training courses or seminars at periodic intervals to keep themselves abreast with development pertaining to the oversight function of Directors as well as updates on technical matters.
- 7.4 The Board, with assistance from the NRC, shall identify the training needs and suitable training programmes for the Directors. The summary of training programmes attended by the Directors in each financial year will be disclosed in the Annual Report.

8. BOARD PERFORMANCE

On an annual basis, the Board, with the assistance of the NRC, shall assess the effectiveness of the individual Directors, the Board as a whole and the Board Committees. Reference shall be made to the Terms of Reference of the NRC.

9. REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

- 9.1 The Board recognises the importance of attracting, motivating and retaining highly qualified members of the Board is essential for steering the Company towards the realisation of its business objectives and strategic goals.
- 9.2 The NRC is tasked by the Board to evaluate and assess the remuneration of Directors and Senior Management on a yearly basis and make the appropriate recommendations to the Board on the remuneration framework and packages of Directors and Senior Management.
- 9.3 The Directors shall abstain from deliberations and voting on their own remuneration. The performance of Directors is measured by the Directors' contribution to both the Board and the Company. The Executive Directors'

remuneration is structured according to the skills, experience and performance of the Executive Directors.

- 9.4 In the case of Non-Executive Directors, the determination of their remuneration is a matter for the Board as a whole and the level of remuneration reflects the experience and level of responsibility undertaken by the particular Non-Executive Director.
- 9.5 Directors who are shareholders and controlling shareholders with a nominee or connected Director on the Board shall abstain from voting on the resolution to approve directors' fees and benefits at the AGMs.
- 9.6 The Board shall disclose to the shareholders of individual Directors' remuneration on named basis in the Company's annual report.

10. COMPANY SECRETARY

- 10.1 The appointment or removal of Company Secretary of the Board shall be the prerogative of the Board as a whole. The Secretary appointed should be suitably qualified and competent in order to support the Board in carrying out his/her roles and responsibilities.
- 10.2 All Board Members have unrestricted access to the advice and services of the Company Secretary for the purposes of the Board's affairs and the business.
- 10.3 The responsibilities of a Company Secretary shall include:-
 - (a) advising the Board on its roles and responsibilities;
 - (b) advising the Board on corporate disclosures and compliance with the Act and MMLR of Bursa Securities;
 - (c) ensuring that Board procedures and applicable rules are observed during meetings;
 - (d) attending and recording minutes of the Board and Board Committee meetings and facilitating communications;
 - (e) maintaining records of the Board and Board Committees and ensuring effective management of the Company's statutory records;
 - (f) monitoring corporate governance developments and assisting the Board in applying corporate governance practices to meet the Board's needs and stakeholders' expectations;
 - (g) manage processes pertaining to the AGMs and general meetings; and
 - (h) carrying out other functions as may be directed by the Board from time to time.

11. ACCESS TO INDEPENDENT ADVICE AND INFORMATION

- 11.1 Board members shall:-
 - (a) have full and unrestricted access to any information pertaining to the Company;

- (b) have full and unrestricted access to the advice and services of the Company Secretary; and
 - (c) be able to obtain independent professional or other advice in the furtherance of their duties and responsibilities at the expense of the Company.
- 11.2 If a Director considers such advice necessary for the discharge of his/her duties and responsibilities as Director and, for the benefit of the Company, such Director shall first discuss it with the Chairman and, having done so, be free to proceed, where appropriate.
- 11.3 Subject to prior approval of the Chairman, the cost of the advice will be reimbursed by the Company but the Director will ensure, so far as is practicable, that the cost is reasonable.
- 11.4 Independent advice sought shall exclude those of personal interests relating to the Director's personal disputes in matters that are not related to or affect the Board or the Company as a whole.

12. RELATIONSHIP WITH SHAREHOLDERS AND STAKEHOLDERS

- 12.1 The Board shall communicate and interact regularly via different platforms such as Company's AGMs, media interviews, road shows, announcements to Bursa Securities and other social media in updating the status of Company's performance, direction and strategies to shareholders and stakeholders.
- 12.2 AGMs and Extraordinary General Meetings (collectively "General Meetings") of the Company are to be conducted in an efficient manner and serve as important channel for shareholder communication. Key elements for this include the supply of comprehensive and timely information to shareholders and the encouragement of active participation at the General Meetings.
- 12.3 The Board will focus its efforts on the following best practices to enhance the effectiveness of the General Meetings:
 - (a) ensure the notice of AGM is given at least twenty-eight (28) days before the date of the AGM;
 - (b) all Directors are to attend the General Meetings;
 - (c) ensure that each item of special business included in the notice of AGM is accompanied by a full explanation of the effects of the proposed resolution;
 - (d) ensure that the notice of AGM states which Directors are standing for election or appointment, with a brief description on their age, relevant experience, designation in the Company, list of directorships, date of appointment to the Board, membership in any Board Committees, 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 Company as a whole and whether the Board is in support of the re-election or appointment and the reasons;
- (e) ensure that the Chairman of the General Meeting provides reasonable time for discussion at the General Meeting;
 - (f) ensure that General Meetings support meaningful engagement between the Board, Senior Management and shareholders;
 - (g) ensure that the resolutions set out in the notice of General Meetings are voted by poll;
 - (h) ensure that at least one (1) scrutineer is appointed to validate the votes cast at the General Meetings. Such scrutineer must not be an officer of the Company or its related corporation, and must be independent of the person undertaking the polling process;
 - (i) ensure that there is a channel of communication for feedback and queries from shareholders; and
 - (j) ensure minutes of the General Meetings will be circulated to shareholders or uploaded onto the Company's website no later than thirty (30) business days after the General Meetings.

13. CODE OF CONDUCT AND ETHICS

The Group is committed to the highest standards in the conduct of its businesses and operations. To this end, the Board has established the Code of Conduct and Ethics ("Code") which applies to and provides guidance on the standards of behaviour expected of all Directors and employees the Group.

14. ENVIRONMENTAL, SOCIAL AND GOVERNANCE

- 14.1 The Board recognises the need for strategies and plans to promote and contribute towards sustainable development, with particular focus on the environmental, social and governance aspects of business.
- 14.2 The Company will constantly strive to maintain a safe and conducive work environment for its employees and adopts documented policies and procedures as part of its commitment towards Quality, Health, Safety and Environment.

15. ANTI-BRIBERY AND ANTI-CORRUPTION

- 15.1 The Group adopts a zero-tolerance approach to all forms of bribery and corruption as spelt out in its Anti-Bribery and Anti-Corruption Policy ("ABAC Policy").
- 15.2 The ABAC Policy applies to all Directors (including executive, non-executive and independent), all level of employees, and all associated persons when acting for or on behalf of the Group as well as applicable to all of the Group's business activities in all countries and territories in which the Group operates.

16. WHISTLE-BLOWING PROCEDURES

- 16.1 The Group is committed to the values of transparency, integrity, impartiality and accountability in the conduct of its business and affairs. For this purpose, the Board has established the Whistle-blowing Procedures to provide an avenue for stakeholders to raise concerns.
- 16.2 The Board has overall responsibility for the Whistle-blowing Procedures and overseeing its implementation.

17. DIRECTORS' FIT AND PROPER POLICY

- 17.1 The Board has established a Directors' Fit and Proper Policy for the appointment and re-election of Directors of the Group, to ensure that the Directors have the necessary quality, competencies and integrity to discharge their roles effectively.
- 17.2 In conducting the Fit and Proper assessment, the Board through its NRC shall consider the following criteria as outlined in the Policy:
- Character and Integrity;
 - Experience and Competence; and
 - Time and Commitment.
- 17.3 Any candidate who has been identified for appointment as a Director or for re-appointment/re-election as a Director within Company shall be required to make a Fit and Proper declaration form as prescribed by the NRC.
- 17.4 The Directors' Fit and Proper Policy is made available on the Company's website.

18. CONFLICT OF INTEREST POLICY

- 18.1 The Board shall establish and adopt a Conflict of Interest Policy and to ensure that the AC review the flowing and report the same to the Board any related party transaction and conflict of interest situation that arose, persist or may arise within the Company or Group including any transaction, procedure or course of conduct that raise questions of management integrity, and the measures taken to resolved, eliminate, or mitigate such conflicts.
- 18.2 The Conflict of Interest Policy is made available on the Company's website.

19. REVIEW OF THE BOARD CHARTER

The Board Charter shall be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's duties and responsibilities.

The Board Charter shall be made available on the Company's website at www.khind.com.my.

This Board Charter was last reviewed on 22 February 2024.

ANNEXURE A**SCHEDULE OF MATTERS RESERVED FOR THE BOARD****(1) Strategy and Operations**

- (a) Strategic business plans, mergers and acquisitions of a substantial value;
- (b) Major investment or divestment of business, property or undertaking;
- (c) Annual budget (including capital expenditure budget);
- (d) Investment or divestment of a capital project which represents a significant diversification from the Company's existing business activities;
- (e) Limits of authority for the Company;
- (f) Extension of the Group's activities into new business or geographic areas;
- (g) Any decision to cease to operate all or any material part of the Group's business; and
- (h) Provision of indemnities or corporate guarantees.

(2) Financial Reporting and Controls

- (a) Quarterly financial results following recommendations from the Audit Committee;
- (b) Annual Report including statements and reports contained therein;
- (c) Audited Financial Statement following recommendations from the Audit Committee;
- (d) Dividend policy;
- (e) Declaration of interim dividends and recommendation of final dividends;
- (f) Any significant changes in accounting policies or practices following recommendations from the Audit Committee and adoption of accounting policies in line with the Malaysian Financial Reporting Standards; and
- (g) Effectiveness of the Group's system of risk management and internal controls following recommendations/feedback from the Audit Committee.

(3) Internal Controls

Ensuring maintenance of a sound system of internal control and risk management, following recommendation from the Audit Committee, including approving an appropriate statement for inclusion in the Annual Report.

(4) Board Membership and Other Appointments

- (a) Changes to the structure, size and composition of the board, following recommendations from the Nomination and Remuneration Committee;
- (b) Approval of the terms of reference, membership of Board Committees;
- (c) Scope and extent of delegations to Directors or Board Committees;
- (d) Appointment and removal of the Directors of the Company and changes to their executive positions all on the recommendation of the Nomination and Remuneration Committee;
- (e) Selection and appointment of the Chairman and Senior Independent Director following recommendations from the Nomination and Remuneration Committee;
- (f) Succession planning for the Board and Senior Management;

- (g) Appointment and removal of the Company Secretary;
 - (h) Appointment, re-appointment or removal of the External Auditor to be put to shareholders for the approval, following recommendations from the Audit Committee; and
 - (i) Approval of the remuneration of the auditors and terms of engagement, following recommendations from the Audit Committee.
- (5) Remuneration
 - (a) Recommendation of Directors' fees and benefits for Non-Executive Directors to be put to shareholders for approval; and
 - (b) Approval of remuneration packages of Executive Directors and Senior Management.
- (6) Other matters
 - (a) Related party transactions;
 - (b) Recurrent related party transactions;
 - (c) Conflict of interest situation;
 - (d) Changes relating to the Group's capital structure including reduction of capital, share issues and share buybacks;
 - (e) Changes to the group structure;
 - (f) Changes to the Constitution of the Company; and
 - (g) Change in financial year end.