

# **INARI AMERTRON BERHAD**

## **Board Charter**

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## **1. Introduction**

### **1.1 Purpose**

This Board Charter (“Charter”) serves as a guiding literature for the Board of Directors (the “Board”) of Inari Amertron Berhad ( “Inari” or the “Company”), which amongst other outlines the powers, duties and responsibilities of the Board, composition and processes, to enable all Board members to be aware of their duties and responsibilities for the general administration of the Company and its subsidiaries (collectively referred to as the “Group”). Members of the Board are expected to ensure that they conduct themselves in a professional manner as stewards of the Group by upholding the values and ethos of the Group.

### **1.2 Authority**

The Board derives its authority to act and exercise its powers from the relevant legislative and regulatory promulgations as well as the Company’s Constitution.

### **1.3 Guiding Principles of the Charter**

1.3.1 This Charter should be read together with enumerations encapsulated in the relevant legislative and regulatory promulgations including the following:

1.3.1.1 Companies Act 2016;

1.3.1.2 Capital Markets and Services Act 2007;

1.3.1.3 Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”);

1.3.1.4 Malaysian Anti-Corruption Commission (“MACC”) Act 2009 and MACC (Amendment) Act 2018;

1.3.1.5 Guidelines on Adequate Procedures pursuant to Section 17A(5) of MACC Act 2009; and

1.3.1.6 Other authoritative guidance such as the Malaysian Code on Corporate Governance (“MCCG”) and Corporate Governance Guide by Bursa Malaysia Securities Berhad.

1.3.2 Where there is a conflict between the contents of this Charter and the aforementioned legislations or the Company’s Constitution, the relevant enumerations contained in the said legislations or Company’s Constitution shall prevail, whichever is applicable.

1.3.3 In this Charter, words importing one gender include the other gender and words importing the singular include the plural and vice versa, as the case may be.

## **2. Board Composition**

### **2.1 Board size**

2.1.1 The Board shall consist of a minimum of two (2) members. *[Article 94 of the Constitution of Inari Amertron Berhad]*. The appointment of Directors shall be recommended by the Nomination Committee and approved by the Board.

2.1.2 The Board shall, from time to time, undertake a review of its size in assessing the impact of its membership upon its effectiveness to cultivate and promote effective deliberation, encourage the active participation of all Directors and allow the functions of the Board and various Board Committees to be discharged without giving rise to an unwieldy Board and Board Committees or an over-extension of Directors that are required to serve on multiple Board committees.

2.1.3 The Board shall take into consideration the following when reviewing its size:

- (i) The changes in the business environment, market developments and needs of the Group in terms of its size, market or geographical footprint;
- (ii) The need to achieve an appropriate balance of Executive and Non-Executive Directors (including Independent Directors) representation on the Board; and
- (iii) Other factors such as technical know-how or experience in the relevant industry sector, and the Board's diversity of professional experience, ethnicity, gender and age.

2.1.4 An Alternate Director shall not be included in determining the number of Directors on the Board. *[Section 196(4)(b) of Companies Act 2016]*.

## **2.2 Board structure and independence**

2.2.1 The Board shall comprise at least two (2) Directors or one-third ( $\frac{1}{3}$ ) of the Board, whichever is the higher, of Independent Directors *[paragraph 15.02(1)(a) of Listing Requirements]*. The Board shall endeavor to have a majority of Independent Directors, where practicable.

2.2.2 In the event of a vacancy in the Board resulting in non-compliance with paragraph 15.02 of Listing Requirements, the Company must fill the vacancy within three (3) months from the date of vacancy *[paragraph 15.02(3) of Listing Requirements]*.

2.2.3 Nominee Director of major shareholders, who represents the interests of the major shareholders in providing strategic direction of the Group, is classified as Non-Independent Non-Executive Director.

2.2.4 Nominee Director shall act in the best interest of the Company and in the event of any conflict between his duty to act in the best interest of the Company and his duty to his nominator, he shall not subordinate his duty to act in the best interest of the Company to his nominator *[Section 217(1) of Companies Act 2016]*.

2.2.5 Independent Directors shall be independent of Management and free from any business or other relationship which could hinder or interfere with the exercise of independent judgment or the ability to act in the best interest of the Group *[paragraph 1.01 of Listing Requirements]*.

2.2.6 The independence of each Independent Director shall be reviewed and assessed, facilitated by the Nomination Committee according to the assessment criteria, on an annual basis or as and when a disclosure is made of any new interest or relationship that may impede the ability of an Independent Director to act independently.

2.2.7 Chairman of the Board

- (i) The Board members shall amongst themselves appoint a Chairman, preferably a Non-Executive Director, as a best practice.
- (ii) A Vice Chairman, who may be elected by the Board among its members to work alongside the Chairman in managing the outworking of the Board.

#### 2.2.8 Senior Independent Director

- (i) The Board may appoint a Senior Independent Director to perform the functions listed in paragraph 3.3 of this Charter.

#### 2.2.9 Group Chief Executive Officer (“GCEO”)

- (i) The GCEO shall be appointed by the Board on the recommendation from the Nomination Committee.

2.2.10 The positions of Chairman, Vice Chairman and GCEO shall be held by different individuals to promote accountability and facilitate division of responsibilities between them [*Practice 1.3 & Guidance to Practice 1.3 of MCCG*].

#### 2.2.11 Company Secretary

- (i) The Board shall appoint a Company Secretary or Company Secretaries, as the case may be. The appointment and/or removal of Company Secretary(ies) shall be the prerogative of the Board [*Sections 236 and 239 of Companies Act 2016*].
- (ii) The Company Secretary(ies) shall be a qualified individual(s) in accordance with Section 235(2) of Companies Act 2016.
- (iii) The Company Secretary(ies) shall possess the knowledge and experience to carry out his/her functions effectively, which may include proficiency in company and securities law, finance, governance, corporate secretaryship and other areas of compliance such as Listing Requirements. The Company Secretary(ies) should also diligently undertake continuous professional development to keep abreast of relevant corporate governance and regulatory requirements [*Guidance to Practice 1.5 of MCCG*].

### 2.3 Board diversity and mix of skills, experience and competencies

2.3.1 The Board shall consider the following criteria in the selection of a candidate for the appointment of a Director [*Section 198 of Companies Act 2016; paragraph 15.05 of Listing Requirements*].

- (i) not an undischarged bankrupt;
- (ii) not been convicted whether within or outside Malaysia of any offence-
  - (a) in connection with the promotion, formation or management of a corporation;
  - (b) involving bribery, fraud or dishonesty; and
  - (c) under sections 213, 217, 218, 228 or 539 of the Companies Act 2016, within a period of five (5) years preceding the date of appointment;
- (iii) not been disqualified by the Court under section 199 of the Companies Act 2016.

2.3.2 The Board shall comprise Directors who provide a balance and diversity in terms of skills, core competencies, experience and knowledge towards the Group. The mix of skills, experience and competencies such as strategic awareness and personal qualities of the Board shall reflect the wide range of business, industry, commercial and financial experience essential in providing oversight and direction of the Group.

2.3.3 Appointment of Board members shall be based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender and possess the criteria stipulated in the Fit and Proper Policy. Directors appointed should be able to devote the required time to serve the Board effectively. The Board should consider the existing Board positions held by a Director, including on Boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the Company should be avoided [*Practice 5.5 of MCCG*].

2.3.4 The Board shall endeavor to meet a target of at least 30% women Directors on the Board to bring in a diversity of perspectives and encourage women participation during Board deliberation and decision-making process whilst achieving the Malaysian Government's aspiration for 30% women participation at the boardroom level [*Practice 5.9 of MCCG*].

### **3. Role of the Chairman, Vice Chairman, GCEO and Company Secretary**

#### **3.1 Role of the Chairman**

3.1.1 The Chairman of the Board is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board.

3.1.2 The duties and responsibilities of the Chairman shall include, inter-alia, the following:

- (i) Provide leadership so that the Board can carry out its duties and responsibilities effectively and to ensure the smooth functioning of the Board;
- (ii) Facilitate the conduct of all Board meetings whilst also ensuring that the Board members engage and provide constructive views in determining the Group's strategies and policies and that decisions taken by the Board are in the Group's best interest and fairly reflect the Board's consensus;
- (iii) Set the board agenda with the assistance of the GCEO, Group Chief Financial Officer ("GCFO") and Company Secretary(ies) and ensuring that Board members receive complete and accurate information in a timely manner;
- (iv) Ensure that decisions are taken on a sound and well-informed basis, including by ensuring that all strategic and critical issues are considered by the Board;
- (v) Manage the interface between the Board and Management and maintain a positive relationship with the GCEO and Management;
- (vi) Ensure appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole;
- (vii) Foster a democratic boardroom environment and encourage the active participation of Directors during Board meetings and allow dissenting views to be freely expressed;
- (viii) Act as the main representative of the Group alongside the Vice Chairman and GCEO at meetings with shareholders and on other occasions where key or major actions are taken or statements are made on behalf of the Group;
- (ix) Lead the Board to ensure that the integrity and effectiveness of the governance process of the Board and the creation of an effective corporate governance system, including the establishment of Board and Board Committee charters, a committee structure and familiarisation as well as ongoing education programmes for Directors;
- (x) Oversee and facilitate the Board, Board Committees and individual Directors evaluation alongside the Chairman of the Nomination Committee;

- (xi) Lead the discussion on recommendations from Board Committees in pursuit of Board's approval or ratification;
- (xii) Ensure that general meetings support meaningful engagement between the Board, Senior Management and shareholders (*Practice 13.4 of MCCG*); and
- (xiii) Lead the Board in the adoption and implementation of good corporate governance in the Group [*Guidance to Practice 1.2 of MCCG*].

### **3.2 Role of Vice Chairman**

3.2.1 The duties and responsibilities of the Vice Chairman shall include, inter-alia, the following:

- (i) Assist the Chairman in delivering his/her responsibilities and ensuring the smooth functioning of the Board;
- (ii) Provide assistance and support to the Chairman during meetings;
- (iii) Assist in conducting Board and general meetings in the absence of the Chairman;
- (iv) Facilitate a healthy working relationship between the Chairman and the other Directors;
- (v) Promote constructive dialogues between Non-Executive and Executive Directors;
- (vi) Ensure that the Board members and Chairman are communicating well with stakeholders; and
- (vii) Chair Board meetings in the absence of the Chairman.

### **3.3 Role of Senior Independent Director**

3.3.1 The roles and responsibilities of the Senior Independent Director are as follows: [*Guidance to Practice 2.1 and Practice 5.8 of MCCG – ID or Senior ID*]:

- (i) Act as a sounding board to the Chairman (e.g. offer counsel to the Chairman on matters such as Boardroom dynamics and concerns of stakeholders);
- (ii) Act as a point of contact for shareholders and other stakeholders particularly on concerns which cannot be resolved or would not be appropriate through the normal channels of the Chairman, Vice Chairman and GCEO;
- (iii) Lead the discussion on succession planning and appointment of Board members, including for the Chairman, Vice Chairman and GCEO;
- (iv) Lead the annual review of Board effectiveness, ensuring that the performance of the Board, Board Committees and individual Directors including the Chairman is assessed objectively and holistically;
- (v) Ensure the Board takes into consideration stakeholders' concerns during Board decision-making process;
- (vi) Provide leadership to Independent Directors, including ensuring they receive accurate and timely information and have the opportunity to provide meaningful input on the agenda;



- (vii) Serve as the principal conduit between the Independent Directors and the Chairman of the Board on sensitive issues, for example, facilitating confidential discussions with Directors who may have concerns which they believe have not been properly considered by the Board or which they feel may not be appropriate to raise in open forum or with the Chairman directly;
- (viii) Provide leadership support and advice to the Board in the event that the Board is undergoing a period of stress (e.g. conflict between the Chairman and GCEO or the strategy being followed by the Chairman and/or GCEO is not supported by the Board); and
- (ix) If the need arises, take the lead during Board and/or general meetings on discussions regarding related party transactions.

### **3.4 Role of GCEO**

3.4.1 The GCEO serves as a nexus between the Board and Management. The GCEO is responsible to develop the Group's objectives and strategies, having regard to the Group's responsibilities to its shareholders, customers, employees and other stakeholders and ensuring the long-term stability of the business and also sustainability of the environment.

3.4.2 The GCEO is accountable to the Board, amongst others, for the following:

- (i) Manage the day-to-day business operations of the Group;
- (ii) Develop and recommend to the Board the medium to long term strategies and vision of the Group, the annual business plans, action plans and risk management policies;
- (iii) Implement the strategies, objectives and decision of the Board within the framework of delegated authorities, values and policies of the Group;
- (iv) Ensure that the Group's corporate and business objectives are executed and achieved;
- (v) Ensure that effective internal control and governance best practices are deployed within the Group;
- (vi) Lead the conduct of risk assessments, report the assessment results and recommend to the Sustainability and Risk Management Committee and the Board, the Management's action plans in managing the principal risks;
- (vii) Recommend the management structure and operating authority levels which include delegation of responsibility to Management;
- (viii) Ensure that the Group has an effective Management team and structure, management development program and succession planning measures;
- (ix) Serve as the spokesperson for the Company/Group alongside the Chairman and Vice Chairman; and
- (x) Ensure that the Group remains in compliance with relevant legislations and regulations by conducting reviews and monitoring compliance.

### **3.5 Role of Company Secretary in supporting the Board and Board Committees**

3.5.1 The duties and responsibilities of the Company Secretary(ies) shall include, inter-alia, the following:

- (i) Manage all Board and Board Committee meeting logistics, attend, record and circulate minutes of all such meetings in a timely manner and facilitate Board communications;
- (ii) Advise the Board on its roles and responsibilities;
- (iii) Facilitate the orientation of new Directors and assist in Directors' training and development;
- (iv) Ensure that the decisions of the Board and Board Committees are relayed to Management to act upon;
- (v) Advise the Board on corporate disclosures and compliance with company and securities law and regulations including Listing Requirements;
- (vi) Monitor and update the Board on corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations;
- (vii) Notify the Chairman of the Board and Board Committees of any possible violations pertaining to regulatory requirements;
- (viii) Advise the Board on its obligatory requirements to disclose material information to shareholders and relevant regulators in a timely manner;
- (ix) Serve as a focal point for stakeholders' communication and engagement on corporate governance and/or sustainability issues;
- (x) Manage processes pertaining to the annual shareholder meeting; and
- (xi) Assist the Nomination Committee in carrying out procedures and policies in relation to corporate governance (i.e. fit and proper, succession planning and any other policies thereon)

#### **4. Board Roles and Responsibilities**

##### **4.1 Roles of the Board**

4.1.1 Directors, as stewards of the Group, shall objectively discharge their duties and responsibilities at all times as fiduciaries in the best interest of the shareholders and other stakeholders.

4.1.2 Every Director is required to keep abreast of his/her responsibilities as a Director and of the conduct, business activities and development of the Group [*Guidance to Practice 1.1 of MCCG*].

##### **4.2 Key responsibilities of the Board**

4.2.1 In discharging its responsibilities, the Board shall undertake, amongst others, the responsibilities outlined in Section 4.2.2 to Section 4.2.8.

4.2.2 Strategy and overall business performance

- (i) Set the strategic aims and plan for the Group, identifying quantitative and qualitative performance objectives [*Practice 1.1 of MCCG*].
- (ii) Ensure that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability [*Guidance to Practice 1.1 of MCCG*].

- (iii) Oversee the conduct of the Group's business and determine its overall medium to long term strategic direction and business objective.
- (iv) Review the Group's strategic direction, annual business plans and overall business affairs.
- (v) Review, challenge and decide on Management's proposals for the Group and monitor its implementation by Management.
- (vi) Establish policies and adopt measures to monitor the Group's performance and build sustainable value for stakeholders in accordance with any duties and obligations imposed.
- (vii) Oversee, monitor and assess the Group's ongoing performance to determine whether the business is properly managed.
- (viii) Review, evaluate and approve any material acquisitions and disposals of undertakings and assets in the Group.

#### 4.2.3 Risk management and internal control

- (i) Maintain effective Risk Management Policy and Guidelines to safeguard the Group's assets. The Risk Management Policy and Guidelines shall be effective to facilitate the identification, analysis, evaluation, managing and monitoring significant financial and non-financial risks.
- (ii) Understand the principal risks of the Group's business and recognise that business decisions involve the taking of appropriate risks.
- (iii) Together with the Sustainability and Risk Management Committee, determine the risk appetite and risk tolerance level of the Group by actively identifying, assessing and monitoring key business risks to safeguard stakeholders' interests and the Group's assets [*Guidance to Practice 1.1 & Guidance to Practice 10.1 of MCCG*].

#### 4.2.4 Sustainability

- (i) Together with the Sustainability and Risk Management Committee, oversee the development and implementation of the Group's strategic plans, priorities and targets, and ensure it is aligned with the notion of long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability including for climate change [*Practice 4.1 of MCCG*].
- (ii) Formalise, periodically review and oversee the implementation of the Group's Sustainability Policy in managing the material matters across the business operations of the Group.
- (iii) Oversee the Group's sustainability and climate change performance against the Key Performance Indicators and strategic plans.
- (iv) Ensure that the Group's sustainability and climate change strategies, priorities and targets as well as performance against these targets are communicated to internal and external stakeholders [*Practice 4.2 of MCCG*].
- (v) Stay abreast with and understand the sustainability issues relevant to the Group and its business, including climate-related risks and opportunities [*Practice 4.3 of MCCG*].

#### 4.2.5 Succession planning, evaluation and remuneration

- (i) Establish and oversee the implementation of succession planning measures to ensure the orderly succession of Board and Senior Management. Senior Management refers to Executive Directors and C-suite members at Group level *[Guidance to Practice 1.1 of MCCG]*.
- (ii) Assess the recommendations of the Nomination Committee on appointment, re-appointment and removal of Directors and Senior Management by evaluating the individual's character, competence, experience, integrity and ability to devote time. This includes considering the existing Board positions held by a Director, including Boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the Group shall be avoided *[Practice 5.5. of MCCG]*.
- (iii) Oversee the undertaking of the formal and objective annual evaluation, facilitated by the Nomination Committee and by independent experts every three (3) years, to determine the effectiveness of the Board, its Committees and each individual Director *[Practice 6.1 of MCCG]*.
- (iv) Oversee the training needs analysis conducted by the Nomination Committee, which evaluates and determines the necessary training, mentoring and coaching needs of Directors and Senior Management *[Paragraph 15.08(2) of Listing Requirements]*.
- (v) Oversee the recommendations by the Remuneration Committee on the establishment and implementation of remuneration policies and procedures whilst also ensuring that there is a fair and transparent remuneration process in deciding the remuneration packages for Directors and Senior Management *[Practice 7.1 of MCCG]*.

#### 4.2.6 Stakeholders communication

- (i) Ensure that there is an effective, transparent and regular communication with its stakeholders *[Practice 12.1 of MCCG]*. The Group shall include the following as channels of communication with its stakeholders:
  - (a) Timely announcements to Bursa Securities of material information, updates and periodic reports and other significant corporate events;
  - (b) Corporate website ([www.inari-amertron.com](http://www.inari-amertron.com)) which is maintained with relevant information for the shareholders, potential investors, suppliers and other stakeholders;
  - (c) Annual report as the central means of communication with the stakeholders on the operations, activities and performance for the financial year under review as well as corporate governance of the Group;
  - (d) General meetings as the main fora of two-way dialogue for shareholders to engage the Board and gain insights on the Group's business activities and financial position and to raise issues in relation to the Group;
  - (e) Regular sessions of analyst and investor briefing; and
  - (f) Ensure timely dissemination of accurate corporate information and disclosures to the stakeholders through the website and other appropriate means, in accordance to Chapter 9 of Listing Requirements.

#### 4.2.7 Reporting

- (i) Ensure the integrity of the Group's financial and non-financial reporting.
- (ii) Oversee and encourage a balanced, comparable and measurable form of reporting which clearly underpins the value of the Group's operations across financial and non-financial perspectives and communication of the relationship across how the Group's strategy, performance, governance and prospects are integrated.

#### 4.2.8 Corporate governance and ethical behaviour

- (i) Together with Senior Management, promote good corporate governance culture within the Group and ensure high standards of ethics and corporate behaviour in the conduct of business [*Guidance to Practice 1.1 of MCCG*].
- (ii) Oversee the establishment and implementation of the Group's Code of Business Conduct and Ethics across every level of the Group, which shall articulate the acceptable practices and guide the behaviour of Directors, Management and employees [*Practice 3.1 of MCCG*].
- (iii) Oversee the establishment and implementation of the Group's Anti-Corruption and Bribery Policy across every level of the Group, which shall articulate the acceptable practices and guide the behaviour of Directors, Management and employees [*Paragraph 4.3.2(i) of the Guidelines on Adequate Procedures pursuant to Subsection (5) of Section 17A under the MACC Act*].
- (iv) Oversee the establishment and implementation of the Group's Whistleblowing Policies and Procedures across every level of the Group. The Board shall encourage the utilisation of the whistleblowing mechanisms by the employees to report genuine concerns and ensure that such legitimate concerns are objectively investigated and addressed [*Practice 3.2 and Guidance to Practice 3.2 of MCCG*].
- (v) Oversee the Group's adherence to corporate governance standards and practices and other relevant company and securities laws and regulations.
- (vi) Supervise and assess management performance to determine whether the business is being properly managed [*Guidance to Practice 1.1 of MCCG*].
- (vii) Ensure there is an effective risk management and internal control framework [*Practice 10.1 of MCCG*].
- (viii) Ensure that all its Directors are able to understand financial statements and form a view on the information presented [*Guidance to Practice 1.1 of MCCG*].

### 4.3 Matters reserved for the Board

4.3.1 The Board, in carrying out its duties and responsibilities, may delegate its powers to the Board Committees, individual Directors, Management or any other person [*Section 216(1) of Companies Act 2016*]. The ultimate responsibility however, resides with the Board as any power exercised by the delegate is deemed to be exercised by the Board itself [*Section 216(2) of Companies Act 2016*].

4.3.2 A schedule of Matters Reserved for the Board's deliberation and approval is listed below and subject to the Group's Delegated Limit of Authority:

#### 4.3.2.1 Conduct of the Board

- (i) Appointment and removal of Directors and Senior Management and Company Secretary(ies) and approval of their terms of employment; and
- (ii) Establishment of Board Committees and approval of their Terms of Reference.

#### 4.3.2.2 Remuneration

- (i) Approval and review of the remuneration policies and procedures for Directors and Senior Management; and
- (ii) Review and approval of any proposed employee share option scheme and/or amendments to existing scheme, subject to legal and regulatory requirements.

#### 4.3.2.3 Operational

- (i) Approval of the Group's business plans and annual budget;
- (ii) Conduct annual review of Directors and Senior Management performance;
- (iii) Approval of major capital expenditure, acquisition, divestitures in excess of authority levels delegated to Board Committees and Senior Management;
- (iv) Approval of investment or divestment of a capital project which represents a significant diversification from the existing business activities;
- (v) Approval of changes in the major activities of the Group including treasury policies and bank mandate; and
- (vi) Setting the limits of authority of the GCEO and Senior Management.

#### 4.3.2.4 Financial

- (i) Approval of quarterly and annual financial statements based on the recommendations of the Audit Committee;
- (ii) Approval for the release of all announcements to Bursa Securities Malaysia Berhad;
- (iii) Approval of the Annual Report;
- (iv) Approval of interim dividends, the recommendation of final dividends (if any) and the making of any other distribution;
- (v) Adoption of accounting policies based on the recommendations of the Audit Committee;
- (vi) Approval of Group policies and procedures based on the recommendations of the Senior Management where appropriate; and
- (vii) Review of the Group's system of internal control and risk management based on the report and findings of the Audit Committee and Sustainability and Risk Management Committee.

#### 4.3.2.5 Other matters and approval by regulatory promulgations

- (i) Review of corporate governance principles and policies of the Group;

- (ii) The granting of powers of attorney by the Group;
- (iii) The entering into any indemnities or guarantees;
- (iv) Recommendations for the alteration of the Company's Constitution;
- (v) Alteration of the accounting reference date, registered office and name of the Company;
- (vi) Purchase of own shares by the Company;
- (vii) Issue of any debt instruments;
- (viii) Substantial political or charitable contributions;
- (ix) Scheme of reconstruction or restructuring;
- (x) Any other significant business decision;
- (xi) Any other matters requiring the convening of a general meeting of shareholders or any class of shareholders; and
- (xii) Any other specific matters nominated by the Board and required by regulatory promulgations from time to time.

#### **4.4 Board Committees**

4.4.1 The Board may from time to time establish Committees as it considers appropriate to assist in carrying out its duties and responsibilities;

4.4.2 The following Committees have been established to assist the Board in discharging its responsibilities:

(i) **Audit Committee**

The Audit Committee will support the Board to oversee the integrity of financial reporting, related party transactions, conflict of interest of situation that arose, persist or may arise and audit which include, but not limited to, assessing the effectiveness of the internal control and risk management framework, evaluation of the external auditors and assessing the independence of the external auditors and internal auditors.

The Audit Committee's roles and functions are narrated in the Terms of Reference of the Audit Committee.

(ii) **Nomination Committee**

The Nomination Committee shall undertake to conduct formal and rigorous evaluation of the Board as a whole, Board Committees and individual Directors annually to ensure there is no entrenchment within the Board. The Nomination Committee shall also support the Board in evaluating potential new candidates to be appointed as Board members and Senior Management as well as providing recommendations on the re-election and/or retention of Directors.

The Nomination Committee's roles and functions are narrated in the Terms of Reference of the Nomination Committee.

(iii) Remuneration Committee

The Remuneration Committee supports the Board by reviewing and recommending the changes to the remuneration policies that would enable the Board to attract and retain talent within the Board and Senior Management.

The Remuneration Committee's roles and functions are narrated in the Terms of Reference of the Remuneration Committee.

(iv) Sustainability and Risk Management Committee

The Sustainability and Risk Management Committee shall assist the Board on the responsibilities to identify, assess and monitor key business risks to pre-empt and manage the potential deleterious impact on achieving strategic objectives with a view to safeguard stakeholders' interests and the Group's assets.

The Sustainability and Risk Management Committee's roles and functions are narrated in the Terms of Reference of the Sustainability and Risk Management Committee.

4.4.3 The Committees shall operate within their respective Terms of Reference as approved by the Board, which shall set out the roles, responsibilities, powers and authority delegated to these Committees.

4.4.4 The Board may also delegate specific functions to ad-hoc Board Committees as and when required. In such instance, the Board shall establish and approve the terms of reference for such ad-hoc Board Committees, which shall set out the roles, responsibilities, powers and authorities delegated to these Committees.

4.4.5 The Board is ultimately responsible over the functions and duties of the Board Committees. The Board Committees shall report to the Board on their deliberations, findings and recommendations. Decisions shall be made by the Board, unless delegated by the Board to the respective Committees.

## 5. Board Processes and Procedures

### 5.1 Appointment, reappointment and removal of Directors

5.1.1 The appointment of Directors is the responsibility of the Board. In the deliberation process, the Board will take into account the knowledge competence, experience, integrity, character and ability to devote time to discharge his/her role, of the proposed candidates, and shall be in accordance with paragraph 2.20A of Listing Requirements and the Fit and Proper Policy for Directors.

5.1.2 A Director may appoint a person approved by majority of the Board to act as his/her alternate, provided that any fee paid by the Group to the alternate shall be deducted from that Director's remuneration [*paragraph 7.31(d) of Listing Requirements*].

5.1.3 All new Directors are subject to re-election at the Annual General Meeting ("AGM") following their first appointment.

5.1.4 At each AGM, one-third ( $\frac{1}{3}$ ) of the Directors or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third ( $\frac{1}{3}$ ), shall retire by rotation from office and seek re-election [*Section 205(3)(b) of Companies Act 2016*].

5.1.5 All Directors shall retire from office once at least every three (3) years but shall be eligible for re-election. Re-appointments are not automatic and the Directors who retire are to submit themselves for re-election by shareholders at the Company's AGM [*paragraph 7.26(2) and paragraph 7.28 of Listing Requirements*].



- 5.1.6 The Board shall have the power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director appointed in such manner shall hold office only until the next following AGM and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by the rotation at that meeting *[Section 202(3) and 208(4) of Companies Act 2016 and paragraph 7.22 of Listing Requirements]*.
- 5.1.7 The office of a Director shall become vacant if the Director *[paragraph 15.05(3) of Listing Requirements]*:
- (i) Falls within the circumstances set out in Section 208 of the Companies Act 2016.  
These include:
    - resignation by giving a written notice to the Company at its registered office;
    - retirement but is not re-elected or removal from office in accordance with the Companies Act 2016 or the Company's Constitution;
    - becomes disqualified from being a director under Section 198 or 199 of the Companies Act 2016 (including being an undischarged bankrupt);
    - becomes of unsound mind or dies;
    - vacates his office in accordance with the Company's Constitution.
  - (ii) Is absent from more than 50% of the total Board meetings held during a financial year; and
  - (iii) Is convicted by a Court of law, whether within Malaysia or elsewhere, in relation to the offences set out in paragraph 15.05(1) of Listing Requirements.
- 5.1.8 Information on the appointment and re-appointment of Directors shall be included in the notes accompanying the notice of the general meeting for shareholders to make an informed decision on such appointments. 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 Company as a whole *[Practice 5.7 and Guidance to Practice 5.7 of MCCG]*.

## **5.2 Tenure of Independent Directors**

- 5.2.1 The tenure of an Independent Director shall not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director. The Board should provide justification and seek shareholders' approval if the Board intends to retain an independent director beyond the nine (9) year term limit. The tenure of an independent director shall not be more than a cumulative period of twelve (12) years.

## **5.3 Board Evaluation**

- 5.3.1 The Nomination Committee will, on an annual basis, review the activities and effectiveness of the Board, Board Committees and individual Directors, and report to the Board its findings.
- 5.3.2 The Board will periodically engage independent advisors to assist in and lend objectivity to these evaluations *[Practice 6.1 of MCCG]*.

5.3.3 Results of the Board Evaluation will be deliberated by the Nomination Committee. The findings from the Board Evaluation exercise will be discussed with the respective Board Committees and the Board.

5.3.4 The Board, with the support of the Nomination Committee, shall develop an actionable improvement programme based on the findings of the Board Evaluation exercise.

#### **5.4 Directors' Remuneration**

5.4.1 The Board shall set the remuneration of Directors at a level that is sufficient to attract, retain and motivate Directors, in order to drive the Group's long-term objectives.

5.4.2 The remuneration applicable for Non-Executive Directors will be determined in line with the Group's Remuneration Policy and Procedures, taking into account the demands and complexities of the roles, their skills, knowledge and experience, directors' performance and their attendance in the Board and Board Committee meetings. These shall be reviewed by the Remuneration Committee and recommended to the Board for shareholders' approval at the AGM of the Company.

5.4.3 Executive Directors will not receive fees but will be remunerated as employees of the Group in accordance with their terms of employment and the Group's Remuneration Policy and Procedures.

#### **5.5 Directors and Officers Liability Insurance**

5.5.1 Directors are accorded with Directors and Officers Liability Insurance in respect of any liability arising in the course of discharging their duties as Directors provided that such liabilities were occasioned in good faith and not as a result of negligence, default or breach of duty [*Section 288 of Companies Act 2016*].

5.5.2 The Directors and Officers Liability Insurance premium shall be borne either fully or partially by the Group and does not form part of the remuneration packages accorded to Directors.

#### **5.6 Familiarisation for newly-appointed Directors**

5.6.1 Newly-appointed Directors shall be furnish with the following corporate information, but not limited to:

- (i) Corporate governance policies and rules;
- (ii) Directors' roles and responsibilities; and
- (iii) Code of Business Conduct and Ethics.

5.6.2 All newly appointed Directors shall attend the Part I of Mandatory Accreditation Programme ("MAP") within four (4) months, and Part II of MAP within eighteen (18) months from the date of appointment. Exemption is accorded if the Director has attended the said programme in his/her capacity as a director of another listed issuer [*paragraph 2.2, Practice Note 5 of Listing Requirements*].

5.6.3 All Directors are subjected to continuous education training. The Nomination Committee shall annually evaluate and determine the training needs of the Board members in addition to ensuring that Directors undergo the necessary training programmes as prescribed by Bursa Malaysia Securities Berhad [*paragraph 15.08(1) and (2) of Listing Requirements*].

5.6.4 The Board shall disclose in the Group's annual report of the training programmes attended by Directors during the financial year *[paragraph 15.08(3) of Listing Requirements]*.

## **5.7 Directorships in other companies**

5.7.1 The Directors are allowed to hold directorships outside the Group so long as the appointments do not conflict with the business of the Group. All such appointments must be disclosed and discussed with the Board prior to acceptance.

5.7.2 At any point of time, the number of directorships held by individual Directors shall not exceed five (5) in listed issuers in Malaysia *[paragraph 15.06 of Listing Requirements]*.

## **5.8 Board meetings and supply of information**

5.8.1 The Board shall meet at least five (5) times during a financial year as the Board sees fit.

5.8.2 Without the presence of the GCEO and Executive Directors, Non-Executive Directors of the Board shall meet among themselves at least annually to discuss among others strategic, governance and operational issues *[Guidance to Practice 1.2 of MCCG]*.

5.8.3 The Company Secretary(ies) shall prepare and distribute in advance to all Directors, a timetable for the meetings scheduled in the year. Apart from the pre-scheduled Board meetings, the Board may for urgent matters, convene an emergency or special board meeting at any time during the year.

5.8.4 Board members are expected to make every effort to attend Board meetings and prepare thoroughly to be able to provide constructive input on matters for discussion and decision. Each individual Director shall attend at least 50% of the Board meetings held during the financial year *[paragraph 15.05(3)(c) of Listing Requirements]*.

5.8.5 Senior Management and other individuals such as employees and external advisors may attend the meetings as and when appropriate and necessary upon invitation by the Board.

5.8.6 Notice of meeting setting out the agenda and accompanied by the relevant board papers shall be distributed to the Directors within a reasonable period prior to the Board meeting to enable the Directors to peruse the matters to be deliberated *[Practice 1.6 of MCCG]*. Exceptions may be made with the unanimous consent of all Directors and for exceptional circumstances such as the provision of meeting materials that are reasonably expected to have a material effect on the price, value or market activity of the Company's shares.

5.8.7 The Senior Management and Company Secretary(ies) shall ensure that board papers are presented in a consistent, concise and comprehensive format, and include, where relevant to the proposal that is put forward for the Board's deliberation, approval or knowledge, progress reports on the Group's operations and detailed information on corporate proposals, major fund raising exercises and significant acquisitions and disposals.

5.8.8 The quorum of any Board meeting shall be two (2) Directors.

5.8.9 In the event that the Board Chairman is unable to be present for the Board meeting, the Vice Chairman or the members who are present at the meeting can appoint any other members among themselves to chair the meeting.

- 5.8.10 Resolutions arising at any Board meeting shall be decided by a majority of votes with each Director having one (1) vote. In case of equality of votes, the Chairman of the meeting shall have a second or casting vote except when only two (2) Directors are present and form a quorum or at which only two (2) Directors are competent to vote on the question at issue, in which event the Chairman shall not have a second or casting vote and the resolution in question shall be deemed to have been lost or not carried.
- 5.8.11 A Board member who has interest in a contract or proposed contract or transaction or arrangement or is involved directly or indirectly in any matter under consideration by the Board, shall not participate in the deliberations and/or decisions.
- 5.8.12 Decisions of the Board may be made by circular resolution in between scheduled meetings. A resolution in writing, signed by a majority of the Directors who are entitled to receive notice of a meeting of the Directors, is valid and effectual as if it has been passed at a meeting of the Directors duly convened and held. All circular resolutions are to be presented at the subsequent Board meeting for notation and/or ratification.
- 5.8.13 Notwithstanding the above, the Board is to refrain from using circular resolutions to approve complex matters requiring rigorous discussion and consideration unless it is approved by the Board.
- 5.8.14 The meetings shall convene in a face-to-face manner. If a Director is unable to be present at the meeting venue, his/her participation through telephone/video-conferencing or other appropriate means shall be permitted.
- 5.8.15 The Company Secretary(ies) shall be responsible for recording the minutes of the Board meetings and which are to be reviewed by the Chairman and shall be circulated to the Board members in a timely manner as soon as practicable upon conclusion of the meeting.
- 5.8.16 The minutes of meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.
- 5.8.17 All Directors shall ensure that the meeting minutes accurately reflect the deliberations and decisions of the Board or Board Committees including any dissent, clarification or discussion made and whether any Director abstained from voting or deliberating on a particular matter [*Guidance to Practice 1.6 of MCCG*].
- 5.8.18 The Company Secretary(ies) shall be responsible for keeping minutes of meeting of the Board and Board Committees at the registered office of the Company under its custodian, and the minutes of meetings shall be open for inspection by any member of the Board.
- 5.8.19 All discussions and records of discussions shall remain confidential unless otherwise specified by the Board or where disclosure is required by law. Subject to legal or regulatory requirements, the Board will decide on the manner and timing of the publication of its decisions.

## **5.9 Access to information and independent professional advice**

- 5.9.1 Unless otherwise provided by or subject to any applicable laws or legislative requirements, the Directors shall have the permission to obtain resources needed to fulfil his/her duties and responsibilities as set out in this Board Charter based on an agreed-upon procedure and at the expense of the Group. These shall include:
- (i) Full and unrestricted access to information, records, properties and employees of the Group;
  - (ii) The advice and support of the Company Secretary(ies) and the Management; and

- (iii) To obtain professional and independent advice from external advisors with relevant knowledge and experience, as and when necessary for the performance of its duties. This shall include advice sought from legal experts, accountants or other professional advisors and consultants [*Paragraph 15.04 of Listing Requirements and Section 215(1) of Companies Act 2016*].

The Directors shall discuss with the Chairman and/or Vice Chairman prior to engaging an independent third party and provide a notice to the GCEO, GCFO or the Company Secretary(ies) of the intention to seek independent advice. The GCEO, GCFO or Company Secretary(ies) shall provide written acknowledgement of acceptance of notification. In the event that two (2) or more Directors seek to appoint one (1) or more advisors, the Chairman and/or Vice Chairman should take steps to facilitate discussions to arrive at a consensus.

#### **5.10 Code of Business Conduct and Ethics**

- 5.10.1 The Board members must observe the highest standards of ethical behavior and shall be guided by the Code of Business Conduct and Ethics.
- 5.10.2 The Board members shall declare “Adherence to Code of Business Conduct and Ethics” on an annual basis.
- 5.10.3 The Board members shall declare any “Conflict of Interest and Related Party Transaction” at least on annual and/or on need basis.

#### **5.11 Whistleblowing Policy and Procedures**

- 5.11.1 The Board together with GCEO and GCFO shall oversee the Whistleblowing Policy and Procedures and encourage the report of any legitimate concerns over any wrongdoings within the Group relating to the unlawful conduct, financial malpractice or dangers to the public or the environment as well as any suspected and/or real corruption incidents based on the procedures stated within the said policy [*Practice 3.2 of MCCG, paragraph 4.1.3(iv) and 4.3.1(b)(i) of the Guidelines on Adequate Procedures pursuant to Subsection (5) of Section 17A under the MACC*].

### **6. Relationship between the Board and stakeholders**

- 6.1 The Board shall maintain an effective communication policy that enables both the Board and Management to have effective, transparent and regular communication with shareholders, other stakeholders and the general public [*Practice 12.1 of MCCG*].
- 6.2 The Board shall ensure continuing corporate disclosures, in accordance with Chapter 9 of Listing Requirements, as well as taking into account the investors’ need for timely release of price-sensitive information such as financial performance results and statement of financial position, material acquisitions and disposals, significant corporate proposals and other significant corporate events.
- 6.3 The Board shall maintain the following communication channels with its shareholders which include but is not limited to:
  - (i) AGM;
  - (ii) Extraordinary General Meeting (“EGM”) held as and when required;
  - (iii) Annual report;
  - (iv) Company’s website
  - (v) Analyst and investor briefing; and

(vi) Use of other appropriate electronic means.

- 6.4 The Board shall ensure that the AGM and EGM of the Company are conducted in an efficient manner and serve as crucial mechanisms in shareholder communications. Key ingredients in this regard include the supply of comprehensive and timely information to shareholders and the encouragement of active participation at the general meetings.
- 6.5 The Board shall ensure that the conduct of a virtual general meeting (virtual or hybrid) support meaningful engagement between the Board, Senior Management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders shall also be made visible to all meeting participants during the meeting itself (*Practice 13.5 of MCCG*).
- 6.6 All Board members shall attend the AGM and EGM and the Chairmen of the Board Committees shall be available to facilitate the answering of questions from shareholders (*Practice 13.2 of MCCG*).
- 6.7 Shareholders shall be provided with the notice of meeting of at least twenty-eight (28) days in the case of an AGM or fourteen (14) days in the case of EGM [*Practice 13.1 of MCCG; section 316(2) of Companies Act 2016; and paragraph 7.15 of Listing Requirements*].
- 6.8 Minutes of the general meeting shall be circulated to shareholders no later than thirty (30) business days after the general meeting (*Practice 13.6 of MCCG*).
- 6.9 The Board shall focus its efforts on the following practices to enhance the effectiveness of the general meeting to ensure that:
- (i) Each item of special business included in the notice is accompanied by a full explanation of the effects of the proposed resolution;
  - (ii) The Chairman provides reasonable time for discussion at the meeting;
  - (iii) There is a channel of communication through the Company Secretary(ies) on feedback and queries from shareholders; and
  - (iv) The Chairman of the Board or in his/her absence, the Vice Chairman chairs the meeting.
- 6.10 Individual Board members may, from time to time at the request of the Management, meet or otherwise communicate with various stakeholders that include customers, suppliers, agencies and government bodies that are involved with the Group.

## **7. Administration**

### **7.1 Mandate of the Charter**

7.1.1. The Board and individual Board members shall comply at all times with the principles and practices set out in this Charter.

### **7.2 Review of the Charter**

7.2.1. This Board Charter has been approved by the Board of Inari. It will be reviewed periodically and updated in accordance with the needs of the Group and any new legislative promulgations that may have an impact in discharging the Board's responsibilities,

7.2.2. Any revision or amendment to this Charter, as proposed by the Directors or any third party, shall first be presented to the Board for its approval. Upon the Board's approval, the said revision or amendment shall form part of this Charter.

7.2.3. The Company Secretary(ies) shall ensure that the provisions of this Charter continue to comply with corporate governance requirements applicable to Inari and, if necessary, shall suggest amendments to the Board Charter for consideration by the Board.

**8. Publication of the Charter**

This Charter will be made available on the Company's website, [www.inari-amertron.com](http://www.inari-amertron.com)

Reviewed and approved by the Board on 26 September 2024.