



## BOARD CHARTER

SUMISAUJANA GROUP BERHAD  
COMPANY NO: 202101023259 (1423559-T)

4 FEBRUARY 2025

## 1.0 INTRODUCTION AND PURPOSE OF BOARD CHARTER

This Charter formalises the various roles and responsibilities of the Board, Board Committees and individual Director of Sumisaujana Group Berhad with the aim of streamlining and enhancing corporate governance practices towards transparency, accountability, sustainability and integrity in boardroom activities.

This Charter incorporates the Principles, Practices and Guidance of the MCCG, the Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries (issued by the Securities Commission of Malaysia), the Listing Requirements on corporate governance, certain aspects of the Constitution of the Company and relevant provisions of the Act insofar as the duties and responsibilities of Directors are concerned. Whilst this Charter serves as a structured guide, especially for new Directors who are on board, it shall not be construed as an exhaustive blueprint by Directors on corporate governance matters.

## 2.0 INTERPRETATION

In this Charter:-

Term	Description
“Act”	means the Companies Act 2016;
“AGM”	means the annual general meeting;
“ARMC”	Means Audit and Risk Management Committee of the Company;
“Board”	means the board of directors of the Company;
“Board Committees”	means committees established by the Board from time to time, including but not limited to the ARMC and NRC;
“Bursa Malaysia”	means Bursa Malaysia Securities Berhad;
“CEO”	means the Chief Executive Officer;
“Charter”	means the Board Charter of the Company;
“Chairman”	means the Chairman of the Board and is used in a gender-neutral sense;
“Company” or “Sumisaujana”	means Sumisaujana Group Berhad;
“Secretary(ies)”	means the Board secretary(ies) or the person(s) normally exercising the functions of a Board secretary;
“Directors”	means members of the Board;
“ED”	means Executive Directors inclusive of the Executive Deputy Chairman, Chief Executive Officer and Chief Operating Officer;
“Group”	means the Company and all of its subsidiaries;
“ID”	means Independent Directors;
“INED”	means Independent Non-Executive Directors;
“Key Senior Management”	means the top management position within the Group, inclusive of the Chief Financial Officer, Chief Human Resources Officer, Chief Supply Chain Officer, Chief Commercial & Business Development Officer and any relevant senior management position identified from time to time;
“Listing Requirements”	means ACE Market Listing Requirements of Bursa Malaysia;

Term	Description
<b>“Management”</b>	means the ED and Key Senior Management;
<b>“MCCG”</b>	means Malaysian Code on Corporate Governance;
<b>“NRC”</b>	Means Nomination and Remuneration Committee of the Company; and
<b>“Shareholders”</b>	means the shareholders of the Company.

## 3.0 ROLE OF THE BOARD AND ITS PRINCIPAL RESPONSIBILITIES

- 3.1 The Board is collectively responsible for the proper stewardship of the Group's business and the creation of long-term success as well as the delivery of sustainable value to its stakeholders.
- 3.2 To enable the Board to discharge its responsibilities in meeting the goals and objectives of the Company, the Board shall, among others:-
  - set the values, standards and strategic aims of the Company;
  - review, challenge and decide on the Management's proposals for the Company and/or the Group, and monitor its implementation by the Management;
  - oversee the development and implementation for the governance of sustainability in the Group, including setting the sustainability strategies, priorities and targets;
  - review and approve business strategies and plans as developed by the Management and ensure that these strategic plans support long-term value creation which includes economic, environmental, social as well as governance considerations underpinning sustainability of the Group;
  - oversee the conduct of the Group's business, supervise and assess the Management's performance to determine whether the business is being properly managed;
  - review and assess the adequacy and integrity of the Group's management information and internal control systems, ensuring there is a sound framework for internal controls and risk management;
  - understand the principal risks of the Group's businesses and recognise that business decisions involve the taking of appropriate risks;
  - set the risk appetite within which the Board expects the Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
  - ensure that the Management has the necessary skills and experience, taking into account the diversity factors including ethnicity, gender and age as well as ensure that there are measures in place to provide for the orderly succession of the Board and the Management;
  - review the leadership needs of the Company, both executive and non-executive, from time to time, to ensure the Company is consistently able to compete effectively in the marketplace;
  - ensure the Company has appropriate policies and procedures to review performance of the Board, individual Directors and Management and to set an appropriate level of remuneration to attract and retain them;
  - ensure that the Company has procedures in place to enable effective, transparent and regular communication with stakeholders;

- oversee the development and implementation of an adequate Group-wide framework for cooperation and communication between the Group for effective oversight of the Group's (i) financial and non-financial performance to ensure integrity, (ii) business strategy and priorities, (iii) risk management including material sustainability risks, and (iv) corporate governance policies and practices;
- oversee the implementation of Code of Conduct and Ethics, policies and procedures to guide the behaviour of Directors, Management and employees in addressing and managing anti-corruption, whistleblowing and conflict of interest, to ensure good corporate governance culture is practised within the Group which reinforces (i) integrity and ethics, (ii) prudence, and (iii) professional behaviour; and
- ensure a sustainable anti-corruption compliance programme is implemented on a group-wide basis with adequate resources assigned.

The Code of Conduct and Ethics for Directors is set out in Appendix 1 of this Charter.

**3.3 In discharging the above responsibilities, individual Directors are expected to:-**

- maintain a sound understanding of the business and be aware of the environment the Group is operating in;
- stay abreast with and understand the sustainability issues relevant to the Group and its business, including climate-related risks and opportunities;
- exercise diligence and avoid undeclared conflict of interest situations;
- understand their oversight role, including the exercise of independent and objective judgment in decision-making;
- commit and devote sufficient time and efforts to discharging their duties responsibly;
- contribute actively in Board discussion and deliberation of issues by providing sound advice based on the Directors' experience and specific expertise they bring to the Board;
- understand financial statements and form a view on the information presented;
- attend regular training programmes in order to be apprised of changes in regulatory requirements the Group is subjected to; and
- abide by all the fiduciary and statutory duties and responsibilities of a Director as prescribed under Subdivision 3 of Division 2 of Part III of the Act and the Listing Requirements.

**3.4 The Board reserves full decision-making powers to ensure the direction and control of the Group are in the hands of the Board. A formal schedule of matters reserved for the Board's decision is set out in Appendix 2 of this Charter.**

## 4.0 BOARD STRUCTURE

### 4.1 Board Composition

- The Board shall consist of qualified individuals with diverse set of skills, knowledge, experiences, cultural background and gender that ensure sufficient diversity and independence in facilitating the deliberation, review and decision-making.
- Whilst the Company's Constitution allows for not less than two (2) or more than nine (9) Directors, the Board shall examine and determine its size periodically in relation to the effective running of the Company's business.
- The Board shall be helmed by a Chairman, appointed by the Board, and comprise a majority of ID with at least 30% women directors. In the event of any vacancy in the Board resulting in non-compliance of the above, the Board must ensure that the vacancy is filled within three (3) months.
- The Board undertakes to assess the independence of ID upon his proposed appointment, annually and when any new interest or relationship develops.
- In the event that even if a person does not fall within any of the disqualifying indicators enumerated out in Paragraph 1.01 of the Listing Requirements, both the Directors and the Board must give effect to the spirit, intention and purpose of the definition of an INED. There must be a conscious application of the test of whether the said Director is able to exercise independent judgement and act in the best interests of the Company.
- An INED who has served on the Company for a cumulative term exceeding nine (9) years may continue to serve on the Board provided the INED is re-designated as a Non-Independent.
- Subject to assessment of the NRC and with valid justification, an INED may remain designated as INED beyond the cumulative term of nine (9) years, provided annual Shareholders' approval is obtained through a two-tier voting process.
- The composition of the Board shall be assessed by the NRC periodically, to ensure the Board is of an appropriate mix of skills, knowledge, experience, independence, competencies, and diversity (including diversity in age, cultural background and gender) with a proper balance of Executive Directors and Independent Directors, to optimise the Board's performance, as a whole, and align the Board's capabilities with the Company's strategic direction.
- To enhance Board effectiveness, the NRC is therefore entrusted by the Board to appraise candidates for directorship, to ensure the Directors have the relevant skills, experience, expertise and time commitment, including those who retire and offer themselves for re-election, before recommending to the Board.

### 4.2 Appointment/ Re-appointment/ Re-election

- The appointment, re-appointment and/or re-election of a Director is a matter for consideration and decision by the Board upon appropriate recommendation from the NRC. In making the recommendations, the NRC will consider amongst others:-

- a) the current composition of the Board and the tenure of each Director;
- b) the required skills, knowledge, expertise, experience and competence of such candidate to meet the needs of the Board;
- c) diversity in age, gender, culture, experience and independence;
- d) time commitment, character, professionalism and integrity of such candidate to serve the Board effectively, taking into consideration the number of directorships on other boards of listed and non-listed companies, and such other fit and proper criteria as set out in the Directors' Fit and Proper Policy issued by the Company to comply with ACE Market Listing Requirements of Bursa Malaysia; and
- e) any business interest or relationship that may result in a conflict of interest that could affect the execution of his/her role as a Director.

- No active politician or his/her immediate family member shall be appointed, re-appointed or re-elected as a Director on the Board or continue to serve as a Director. A person is considered as "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.
- In identifying candidates for appointment as Director, the Board does not solely rely on recommendation from the existing Board members, Management or Shareholders. The Board may utilise other sources to identify suitably qualified candidates not limited to source from a Directors' Registry, open advertisements and independent recruitment firms.
- The Company's Constitution provides that every newly appointed Director shall hold office until the next AGM and shall then be eligible for re-election. Further, at the AGM in every subsequent year, one-third (1/3) of the Board for the time being, or, if their number is not three (3) or a multiple of three (3), then number nearest to one-third (1/3), shall retire from office at the conclusion of the AGM in every year provided always that all Directors shall retire from office once at least in each three (3) years, but shall be eligible for re-election. The Board shall provide a statement on its recommendation for re-appointment and/or re-election of the Director(s).
- The annual re-election of Directors shall be contingent on the satisfactory evaluation of their performance and contribution to the Board.

## 4.3 Roles of Chairman

- The Chairman assumes a leadership role in the Board to ensure effective functioning of the Board in the interest of good corporate governance.
- The Chairman is primarily responsible for the following:-
  - a) providing leadership for the Board so that the Board can perform its responsibilities effectively;
  - b) setting the board agenda and ensuring that board members receive complete and accurate information in a timely manner;
  - c) leading Board meetings and effective discussions;

- d) encouraging active participation and allowing dissenting views to be freely expressed;
- e) managing the interface between the Board and Management;
- f) ensuring appropriate steps are taken to provide effective, transparent and regular communication with stakeholders and that their views are communicated to the Board as a whole;
- g) leading the Board in the adoption and implementation of good corporate governance practices in the Company;
- h) ensure sufficient time is allowed for discussion of complex or contentious issues and if required to arrange for informal meetings or discussions beforehand to enable thorough preparation for Board discussion; and
- i) other responsibilities as assigned by the Board from time to time.

- The Chairman should not be a member of the Board Committees to ensure there is check and balance as well as objective review by the Board.

#### 4.4 Roles of CEO and ED

- The CEO, assisted by his fellow ED, serves as a conduit between the Management and the Board and is responsible to spearhead the business through effective implementation of the Company's strategic plan and policies established by the Board and managing the daily operations of the Company.
- Generally, the CEO, assisted by his ED as the case may be, is responsible to the Board for the following:-
  - a) achievement of agreed Company's goals and observance of the Management's performance and authorities delegated by the Board;
  - b) developing and implementing long-term strategic and short-term business plans to enable the Group to achieve growth, profitability and return on capital subject to the Board's review and adoption;
  - c) providing assistance to members of the Board and the Board Committees, as required, in discharging their duties;
  - d) assisting the Chairman in organising information necessary for the Board to deal with the agenda and for providing such information to Directors on a timely basis;
  - e) assuming full accountability to the Board for all aspects of the Group's operation and performance;
  - f) provide strong leadership and ensure the business objectives, strategies and policies are communicated across all levels in the Group;
  - g) assuring that the Group's corporate identity, products and services are of high standards and reflective of the market environment;
  - h) ensuring organisational structure and systems are in place to develop talent and succession planning for the Management;

- i) ensuring that financial management practices are executed with the highest levels of integrity and transparency for the benefit of Shareholders, and that the business and affairs of the Group are conducted ethically and in full compliance with relevant laws and regulations;
- j) ensuring that social and environment factors are not neglected; and
- k) ensuring that all material risks of the Group are timely identified, with appropriate actions implemented effectively to mitigate such risks.

- The Board shall receive the following from or through the CEO at its scheduled meetings:-
  - a) reports on the performance and activities of the Group for the period under review, including explanations for significant fluctuations over the period; and
  - b) where appropriate, a briefing pertaining to current and future initiatives, risk management as well as Environment, Social and Governance (ESG) issues, challenges faced by the Group, changes to legislations that may affect the Group's operations, litigations and other salient events or issues affecting the Group.
- The CEO and his fellow ED's shall act within all specific authorities delegated to them by the Board via the Company's Limit of Authority.
- In discharging the above responsibilities, the CEO can delegate appropriate functions (as per the Company's Limit of Authority) to any member of the Management, including ED, who shall report to the CEO, but remain accountable to the Board.

## 4.5 Roles of INED

- The roles of INED largely encompass the monitoring of Group's performance and contributing to the development of Company strategy, clarified as follows:-
  - a) **Strategy:** Constructively challenge and contribute to the development of Company strategy;
  - b) **Performance:** Scrutinises the performance of the Management in meeting agreed goals and objectives and monitor the reporting of performance;
  - c) **Risk:** Satisfy themselves that the financial information presented is accurate and that financial controls as well as business controls and risk management are robust and defensible;
  - d) to ensure there is a proper check and balance on the Board by providing unbiased and independent views in Board deliberations and decision-making, focusing on Shareholders' and other stakeholders' interest, and not only the interests of a particular fraction or group but also the minority Shareholders;
  - e) to improve corporate credibility and governance standards, functioning as a watchdog, and make significant contributions to the Company's decision-making by bringing in the quality of detached impartiality; and

- f) to make independent assessment of information, reports or statement when the interests of Management, Company and/or Shareholders diverge, such as executive performance and remuneration, related party transactions and audit matters.
- Where the CEO or EDs form part of the Board, the INEDs are encouraged to meet among themselves at least once a year to discuss among others, strategic, governance, and operational issues of the Company.

## 4.6 Company Secretary(ies)

- The appointment and removal of the Company Secretary(ies) is a matter for the Board, as a whole. The Company Secretary(ies), who is/are accountable to the Board, shall be suitably qualified, competent and capable of carrying out the duties required of the post.
- The Company Secretary(ies) is expected to provide unimpeded advice and services to the Directors, as and when the need arises, to enhance the effective functioning of the Board and its Board Committees and to expedite regulatory and governance compliance. The roles and responsibilities of the Company Secretary(ies) include the following:-
  - a) manage the logistics, attend and record minutes of all Board and Board Committee meetings as well as facilitate Board communication;
  - b) advise the Board on its roles and responsibilities;
  - c) support the Board on adherence to Board policies and procedures;
  - d) facilitate the orientation of new Directors and assist in Directors' training and development;
  - e) advise and assist the Board on corporate disclosures and compliance with company law and securities regulations as well as Listing Requirements;
  - f) manage processes pertaining to the shareholders' meetings;
  - g) monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations;
  - h) serve as a focal point for stakeholders' communication and engagement on corporate governance issues;
  - i) assisting the communications between the Board and Management;
  - j) together with Chairman, ensure that Directors are provided with sufficient information and time to prepare for Board meetings;
  - k) maintaining proper records of the Board and Board Committees and ensuring effective management of the Company's records; and
  - l) carrying out other functions as deemed appropriate by the Board from time to time.

## 4.7 Board Committees

- The Board shall establish committees delegated with specific authority and operating on the Terms of Reference ("TOR") as approved by the Board to assist the Board in the discharge of its duties and responsibilities. In so doing, the Board should not abdicate its responsibilities and should at all times exercise collective oversight of the Board Committees and the Management.
- The roles and responsibilities, structure and composition of the committees as stated in the TORs will be assessed and reviewed as and when necessary to ensure the TORs are in accordance with the MCCG and Listing Requirements.
- The composition of each Board Committee shall comply with the relevant requirements as enumerated in the Listing Requirements and MCCG.
- The following standing committees have been established by the Board:-
  - a) ARMC

The ARMC assists and supports the Board primarily in the area of governance structure, financial reporting process by liaising with the external auditors, reviewing and monitoring the Group's risk management system and internal control by liaising with the internal auditors, more particularly as set out in Appendix 3 – Terms of reference of the ARMC as approved by the Board.

### b) NRC

The NRC assists the Board to oversee matters relating to the nomination and selection of new directors, annual assessment of the performance and effectiveness of the Board and Board Committees, ensure measures are in place for succession planning of Directors, Board Committees, and/or Management. The NRC also assists the Board on matters relating to the remuneration of Directors and Management, more particularly as set out in Appendix 4 – Terms of reference of the NRC as approved by the Board.

## 5.0 BOARD PROCEDURES

### 5.1 Board Meetings

- Board meetings for each year are scheduled in advance prior to the end of the preceding financial year and circulated to the Directors and Management. The Board meets regularly at least five times a year. Additional Board meetings will be held as and when required.
- In the absence of the Chairman, the members present shall elect a Chairman from amongst themselves to chair the meeting.
- All Directors must meet the minimum 50% attendance requirement imposed by the Listing Requirements. Management who are not directors may be invited to attend and speak at Board meetings on matters relating to their areas of responsibility. The Board may also invite external parties such as the auditors, solicitors and consultants to attend as and when the need arises.
- The Directors may participate at a Board meeting by means of telephone and video conference or by means of other communication equipment. The

physical presence of Director(s) is not compulsory and participation at such meeting in the aforesaid manner shall be deemed to constitute presence in person at such meeting. The Directors participating at any such meeting shall be counted in the quorum for such meeting. All information and documents must be made equally available to all participants prior to, at or during the Board meeting. The participation in a meeting by means of a conference telephone or similar electronic telecommunication device shall be treated with confidence, and he/she shall prevent any leakage of information/materials to any third party. All resolutions agreed upon by the Directors at such a meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the Directors duly convened and held.

- In the event matters requiring Board's decision arise between Board meetings, such matters shall be resolved through circular/written resolution which shall be supported by relevant papers setting out details of the subject matter. Such circular/written resolution signed or approved by letter, electronic mail or other electronic communication by a majority of the Directors shall be as valid and effectual as if it has been passed at a Board Meeting. Such resolution may consist of several documents in like form, each signed by one or more Board members.
- The Board should be informed of the decision and significant issues deliberated by the Board Committees via the reporting by the Chairman of the respective Board Committees and the minutes of the Board Committees tabled at the Board meetings.
- The Board meetings shall not be combined with Board Committees' meeting to enable objective and independent discussion during the meeting.
- The quorum for a Board meeting shall be two (2) members present in person. No business is to be transacted at any Board Meeting unless a quorum of Directors is present at the time when the meeting proceeds to business.

## 5.2 Notice

- Except in the case of an emergency, notice of every Board meeting will be provided in writing at least five (5) business days before each meeting. In addition to notices sent through post or by hand, notices may also be sent via facsimile, electronic mail or by any means of telecommunication in a permanent written form.

## 5.3 Meeting papers

- Meeting papers should be clear and comprehensive in order to provide concise information to the Board to facilitate their deliberation and decision-making. All Directors are given sufficient time to review the meeting papers prior to Board meetings.
- Materials required for the meeting, including minutes of the previous meeting and agenda items are to be circulated at least five (5) business days before each meeting to the Board members.

## 5.4 Voting

- Every Board Member shall have a right to speak and vote on any matters tabled at the meeting. Each Director is entitled to one (1) vote. All matters that are to be decided upon and approved by the Board shall be put to vote and passed

by a majority of vote and in case of any equality of votes, the Chairman of the meeting shall have a casting vote.

- Pursuant to regulatory requirements, a Director shall abstain from deliberation and voting on contracts or proposed contracts or arrangements in which the Director has direct and/or indirect interests.

## 5.5 Minutes

- Proceedings of all meetings and the decisions of the Board are recorded in the minutes of the meeting. All Board members shall ensure that the minutes of Board meeting accurately reflect the deliberations and decisions of the Board, including any concerns raised by Directors or dissenting views expressed. Any Directors who abstained from voting or deliberation on a particular matter will be recorded in the minutes.
- The draft minutes of the Board meeting shall be distributed to all Board members for comments in between two (2) and four (4) weeks after the meeting. The minutes shall be tabled at the following Board meeting for confirmation and thereafter for signing by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next meeting.

## 6.0 RELATIONSHIPS

### 6.1 Relationship with the Management

- The Management is key in collecting, scrutinising and elucidating strategic options to the Board for its review and consideration.
- To enable the Board to properly exercise impartial judgement, the Management shall ensure that all information provided to the Board is objective, timely, relevant, accurate and complete and the Management will carry out instructions as directed by the Board.

### 6.2 Relationship with Shareholders and Stakeholders

- The Board is responsible for ensuring the Company's strategies to promote sustainability and the rights of other stakeholders are not compromised.
- The Board is responsible to ensure the Management develop and implement a communication policy that enables both the Board and Management to communicate effectively with the Shareholders, stakeholders and the general public to facilitate understanding of each other's objectives and expectations including timely release of financial results on a quarterly basis to provide an overview of the Group's performance and operations.

### 6.3 The Board is responsible for ensuring the Group's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

### 6.4 The Board is responsible for ensuring that general meetings, including any extraordinary general meetings of the Company, are conducted efficiently. This includes considering the use of technology to facilitate electronic voting and remote shareholder participation, enhancing communication with shareholders for a better understanding of the Group's business, governance, and performance.

6.5 The Board shall also ensure the provision of timely and relevant information to Shareholders and encourage their active participation at the general meetings, taking into account the following measures:-

- a) notice of AGM be given to the Shareholders at least 28 days prior to the meeting;
- b) ensure that clear and concise explanation is included in the notice of general meetings for resolutions proposed to enable Shareholders to make an informed decision in exercising their voting rights;
- c) ensure that a brief description, including information such as age, gender, relevant experience, list of directorships, date of appointments to the Board, details of participation at Board Committees, designation of Directors (Independent or Non-Independent), interest, position or relationship that might influence their independent judgement (if any) in a material respect, is disclosed in the Annual Report in respect of the Directors standing for appointment, re-appointment or re-election;
- d) the Chairman shall provide reasonable time for discussion at general meetings and ensure that general meetings support meaningful and interactive engagement between the Board, Management and Shareholders on among others the Company's financial and non-financial performance as well as the Company's long-term strategies. Minutes of the general meeting will be published on the Company's website no later than 30 business days after the conclusion of the general meeting; and
- e) consider the need for substantive resolutions, including, but not limited to, related party transactions to receive specific Shareholders' approval and announce the detailed results of the votes cast for and against each resolution.

6.6 The Board shall ensure the Company conducts dialogues with financial analysts from time to time as a means of effective communication that enables the Board and Management to convey information relating to the Company's performance, corporate strategy and other matters affecting Shareholders' interests.

## 7.0 ACCESS TO INFORMATION

All Directors shall have unrestricted access to the Management, staff, and information related to the Group, including access to the advice and services of the Company Secretary(ies), auditors, and consultants, as necessary for the performance of their duties and responsibilities as Directors of the Company at the Company's expense.

## 8.0 INDEPENDENT PROFESSIONAL ADVICE

- In discharging the Directors' duties, each Board member is entitled to obtain independent professional advice at the cost of the Company.
- Where such advice is considered necessary for the discharge of his or her duties and responsibilities as Director and, for the benefit of the Company, such Director shall first discuss it with the Chairman and bring the request to seek professional independent advice for the Board's consideration and approval. Such restriction shall not apply to ED acting in furtherance of their executive responsibilities and within their delegated powers.

## 9.0 DIRECTORS' TRAINING

- Directors are required to undergo the mandatory accreditation programme under the auspices of Bursa Malaysia. In addition, Directors are required to attend relevant training courses or seminars at periodic intervals to keep themselves updated on developments pertaining to the oversight function of Directors, the sustainability issues relevant to the Group and its business including climate-related risks and opportunities as well as technical matters, for example, financial reporting standards, accounting and auditing standards, tax budgets, rules and regulations etc, in order to update their knowledge and skills to sustain their active participation in Board deliberation and effectively discharge their duties.
- The Board, with the assistance of the NRC, shall assess the training needs of the Directors from time to time, to ensure that Directors have access to training courses or seminars at periodic intervals.
- The Board shall maintain an induction programme for new Directors to be facilitated by the Company Secretary.
- All trainings attended by Directors shall be disclosed in the Annual Report. In special circumstances, valid justifications for non-attendance at any training by Directors for the financial year shall also be disclosed.

## 10.0 COMMITMENTS

- Directors shall devote sufficient time to carry out their responsibilities. Each Director is expected to commit time as and when required to discharge the relevant duties and responsibilities, besides attending meetings of the Board or Board Committees. Each Director must not hold more than five (5) directorships in listed issuers.
- The Board shall also consider the commitment of Directors on boards of non-listed companies.

## 11.0 CONFLICT OF INTEREST

- A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the Director's interest in accordance with the Act. The Director concerned shall not participate in deliberations and shall abstain from casting votes in any matter arising thereof unless as otherwise provided for in the Act.
- Should there be an actual, potential or perceived conflict of interest between the Company or a related corporation and a Director, or an associate of a Director such as a spouse or other family members, the Director involved shall make full disclosure and act honestly in the best interest of the Company.
- The Board shall review, receive update from the ARMC and deliberate on the conflict of interest and potential conflict of interest involving Relevant Officers (Directors and Key Senior Management) that arose, persist or may arise within the Group.

## 12.0 DIRECTORS' REMUNERATION

### 12.1 INED

- a) INED will be paid a remuneration comprising fees, meeting allowances and/or benefits for acting as Directors of the Company. The payment of remuneration to INED is subject to approval by shareholders at AGM. INEDs who are Shareholders should abstain from voting at the AGM to approve their fees.
- b) The amount of remuneration payable to INEDs shall reflect the experience, time commitment, level of duties and responsibilities undertaken and shall be determined with reference to Group's performance including performance in managing material sustainability risks and opportunities.

### 12.2 ED

- a) The remuneration of ED shall be recommended by the NRC with the individual Director concerned abstaining from discussing his individual remuneration.
- b) The remuneration package shall commensurate with the performance, skills and responsibilities expected of the Directors. The amount of remuneration payable shall be determined with reference to the Group's performance including performance in managing material sustainability risks and opportunities.

## 13.0 BOARD ASSESSMENT AND EVALUATION

- 13.1 The NRC is entrusted by the Board to review the performance and effectiveness of the Board and Board Committees, including individual Directors, annually, with the assessment report, together with a report on the Board composition covering the required mix of skills, experience and other qualities of Board members for discussion at the Board meeting.
- 13.2 Company Secretary(ies) is/are authorised to collate the results of the evaluation process before tabling to the chairman of NRC and Board, to ensure integrity and independence of the appraisal process.

## 14.0 CORPORATE DISCLOSURE

- 14.1 The Board shall have relevant corporate disclosure policies and procedures to ensure comprehensiveness, accuracy and timeliness of information disclosed. These policies and procedures shall ensure compliance with the relevant disclosure requirements as enumerated in the Listing Requirements.
- 14.2 The Board shall ensure the Company leverages on information technology in communicating with stakeholders, in particular shareholders, including a dedicated section for Investor Relations on the Company's website, for effective dissemination of information and easy access to corporate information pertaining to the Group and its activities. The website should continually be updated to provide the latest information such as the Board Charter, terms of references, policies and the Annual Report of the Company.

## 15.0 REVIEW

The Board will periodically review this Charter which may be amended from time to time to ensure its relevance, effectiveness and that it remains consistent with the Company's objective, its practices and prevailing laws.

*This Charter was reviewed, approved and adopted by the Board on 4 February 2025.*

Note:-

*Should the Listing Requirements and the Act be amended for any reason whatsoever, the amendments of which affects the contents of this Charter, the amended Listing Requirements or the Act shall take precedent over this Charter.*

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## APPENDIX 1: DIRECTORS' CODE OF CONDUCT AND ETHICS

### Introduction and Objectives

As prescribed by Section 213 of the Companies Act 2016, this Directors' Code of Conduct and Ethics (the "Code") is established to set out the standards of behaviour and ethical conduct expected of all directors of SumiSaujana Group Berhad (the "Company") and its subsidiaries ("SumiSaujana" or the "Group"). Directors shall adhere to the highest ethical standards and general principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership, to carry out their oversight responsibility in the interest of all stakeholders of the Company.

### Code

The Directors of the Group ("Board") shall observe the Code as follows:-

1. Adhere to this Code, the Board Charter, all applicable laws and regulatory requirements at all times.
2. Act honestly, fairly, and ethically, demonstrating integrity, responsibility, competence, and diligence. Directors should act in good faith, prioritising the best interests of the Company and fulfilling their fiduciary obligations to all stakeholders.
3. Maintain high standards of corporate governance, particularly by following the Malaysian Code on Corporate Governance, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries, the Companies Act 2016 and the Capital Markets and Services Act 2007.
4. Limit the number of directorships to ensure adequate time and effort are devoted to attending meetings and staying informed on important matters, thereby fulfilling their duties as Directors effectively.
5. Safeguard the confidentiality of information obtained in their role, except where disclosure is authorised or legally mandated. This includes protecting the Company's confidential information from personal gain avoid using their position to advance personal interests or those of connected individuals, firms, or organisations.
6. Directors are prohibited from taking personal advantage of opportunities that arise through their position with the Company or using Company assets for personal gain. All business opportunities should be pursued in the best interest of the Company.
7. Avoid accepting positions on board committees or working groups where a conflict of interest is likely to arise. Any potential conflicts should be declared to the Board.
8. Disclose any personal, professional or business interests, whether directly or indirectly, that could conflict with their responsibilities as Directors. Directors should abstain from deliberation and voting on matters where a conflict of interest exists.
9. Comply with regulatory requirements pertaining to trading or dealing in the Company's shares, including insider trading.
10. Not to accept or offer, directly or indirectly, any gifts, remuneration, hospitality, donations, illegal payments or any other form of gratification that could be perceived as attempting to influence or gain an advantage in business dealings for the Group.
11. Report any unethical behaviour or breaches of this Code in accordance with the Whistleblowing Policy.

### **Review**

This Code will be reviewed and/or updated at least once every three (3) years and/or when there are changes to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“AMLR”), the Malaysian Code on Corporate Governance (“MCCG”), and/or any other applicable laws and regulations in effect, to ensure it remains relevant, appropriate, and consistent with the Group’s practices and regulatory requirements. Any revisions to this Code will be submitted to the Board of the Company for consideration and approval.

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## APPENDIX 2: FORMAL SCHEDULE OF MATTERS RESERVED FOR THE BOARD

The following summarises the list of matters reserved for deliberation and decision by the Board of Directors:-

### 1. Board Structure

- a) Appointment and recommendation for removal and re-election of Directors.
- b) Appointment and removal of Company Secretary(ies).
- c) Establishment of Board Committees, their members and the specific terms of reference.

### 2. Board assessment and evaluation

- a) Conduct and review the annual assessment and evaluation on the performance and effectiveness of the Board, Board Committees and individual Directors.
- b) Succession planning for Directors.

### 3. Remuneration

- a) Recommendation of Directors' fees and benefits payable for Non-Executive Directors to be approved by Shareholders.
- b) Approval of remuneration packages and structure, including service contracts, for Executive Directors.
- c) Approval of remuneration packages for Management personnel.

### 4. Company's operations

- a) Review and approval of Company strategic plan and annual budget (including capital expenditure budget).
- b) Approval of capital expenditure exceeding prescribed thresholds based on the formalised limits of authority.
- c) Approval of investment or divestment in a company, business, property or undertaking.
- d) Approval of investment or divestment of a capital project which represents a significant diversification from the Company's existing business activities.
- e) Approval of major changes in the activities of the Company, including key policies.
- f) Approval of treasury policies and bank mandates of the Company.
- g) Approval of limits of authority for the Company.
- h) Approval of mergers and acquisitions and corporate exercises.
- i) Reviewing and recommending or approving of related party transactions.

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## 5. Financial

- a) Review and approval of Company strategic plan and annual budget (including capital expenditure budget).
- b) Approval of financial statements and their release (including financial reports for announcement to Bursa Malaysia Securities Berhad or the Securities Commission).
- c) Approval of Directors' Report, Statement on Risk Management and Internal Control for inclusion in the Company's Annual Report.
- d) Approval of dividends for payment to Shareholders or recommendation of other distribution to the Shareholders for approval.
- e) Adoption of accounting policies in line with the Malaysian Financial Reporting Standards.
- f) Review the effectiveness of the Group's system of risk management and internal controls via the Audit and Risk Management Committee.

## 6. Others

- a) Granting of power of attorney by the Company.
- b) Entering into any corporate guarantee and indemnity issued by the Company.
- c) Recommendation for the changes in the Company's Constitution.
- d) Change in financial year-end.
- e) Recommendation for purchase of own shares by the Company.
- f) Recommendation for issue of debt instruments.
- g) Approval of Corporate Governance Overview Statement, Sustainability Statement for inclusion in the Company's Annual Report.
- h) Approval of Annual Report, Corporate Governance Report and Sustainability Report.
- i) Report for submission to Bursa Malaysia Securities Berhad.
- j) Any other matters requiring the Board's approval under the limits of authority adopted by the Company and Group.

**APPENDIX 3:**  
**TERMS OF REFERENCE OF AUDIT AND RISK MANAGEMENT COMMITTEE**



## TERMS OF REFERENCE OF AUDIT AND RISK MANAGEMENT COMMITTEE

SUMISAUJANA GROUP BERHAD  
COMPANY NO: 202101023259 (1423559-T)

4 FEBRUARY 2025

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## 1.0 PURPOSE

The Audit and Risk Management Committee (“the ARMC” or “the Committee”) is established as a committee of the Board with the primary objective of assisting the Board to:

- i) Discharge its statutory and fiduciary responsibilities of overseeing the financial risk processes and accounting and financial reporting practices within the Company and its subsidiaries (“Group”);
- ii) Review the quality of the Group’s accounting function and financial reporting;
- iii) Oversee the effectiveness of internal controls and the overall risk management framework for the Group;
- iv) Oversee the conflicts-of-interest situations and related party transactions;
- v) Enhance the independence of the external and internal audit functions by providing direction to and oversight of these functions;
- vi) Ensure that an effective ethics programme is implemented across the Group, and monitor compliance with established policies and procedures; and
- vii) Oversee the corporate governance and oversight responsibilities in relation to the relevant Acts, Laws, Requirements, Codes, Regulations and Policies governing the Group and oversees the development and implementation of the anti-bribery and corruption measures, sustainability initiatives, and whistleblowing processes.

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## 2.0 COMPOSITION AND APPOINTMENT

2.1 The Board shall appoint the ARMC amongst themselves. The Committee shall comprise no fewer than three (3) members, all of whom shall be non-executive directors, with a majority of them being independent non-executive Directors.

*In this respect, the Board adopts the definition of “independent director” as set out in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and any practice notes issued to thereto.*

2.2 All members of the Committee shall be financially literate and be able to understand matters under the purview of the Committee including the financial reporting process.

2.3 At least one (1) member of the Committee shall:

- i) be a member of the Malaysian Institute of Accountants (“MIA”); or
- ii) if he is not a member of MIA, he must have at least three (3) years of working experience and:
  - a) Must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or

- b) Must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
- c) Fulfill such other requirements as prescribed or approved by Bursa Securities.

2.4 The Chairman of the Board shall not be appointed as a member of the Committee.

2.5 No alternate Director shall be appointed as a member of the Committee.

2.6 No former partner of the external audit firm of the Company shall be appointed as a member of the Committee before first observing a cooling-off period of at least three (3) years.

2.7 The term of office and performance of the Committee and each of its members shall be reviewed by the Nomination and Remuneration Committee annually to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

2.8 In the event of any vacancy resulting in the number of members of the Committee falling below three (3), the vacancy must be filled within three (3) months of that event.

2.9 All members of the Committee, including the Chairman, shall hold office only for so long as they serve as Directors of the Company. Members of the Committee may relinquish their membership in the Committee with prior written notice to the Company Secretaries.

## **3.0 CHAIRMAN**

3.1 The Chairman of the Committee (“Chairman”) shall be elected from amongst the Committee members as approved by the Board.

3.2 The Chairman is responsible for ensuring the overall effectiveness and independence of the Committee. In particular, he is responsible for:

- a) planning and conducting meetings;
- b) overseeing the reporting to the Board;
- c) encouraging open discussion during meetings; and
- d) developing and maintaining active on-going dialogue with the Management, Group Financial Controller, external auditors and internal auditors.

3.3 The Chairman together with other Committee members should ensure, amongst others, that:

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- a) the Committee is fully informed of the significant matters related to the Company's audit and its financial statements and address these matters;
- b) the Committee appropriately communicates its insights, views and concerns about relevant transactions and events to the internal and external auditors;
- c) the Committee's concerns on matters that may have an effect on the financial or audit matters of the Company are communicated to the external auditors; and
- d) there is co-ordination between internal and external auditors.

## 4.0 AUTHORITY

- 4.1 The Committee is authorised by the Board and at the expense of the Group to perform the following:
  - a) secure the resources in order to perform its duties as set out in its terms of reference;
  - b) investigate any matter within its terms of reference, including possible fraud, illegal acts, or suspected violation of the Code of Conduct involving the Management and the Board. All employees shall be directed to co-operate as requested by the Committee;
  - c) have full and unrestricted access to any employee of the Group and all information and documents which are required to perform its duties;
  - d) obtain external legal or other professional advice as necessary; and
  - e) convene meetings with the external auditors and internal auditors without the attendance of the Management or employees of the Group.
- 4.2 The Committee shall report to the Board on matters considered and its recommendations thereon.

## 5.0 DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee are as follows:

- 5.1 Financial reporting
  - i) review the audit plan with the external auditors and their evaluation of the system of internal controls.
  - ii) review with the external auditors, the year end financial statements, before approval by the Board, focusing particularly on:

- a) whether there have been changes in or adoption of new accounting policies;
- b) whether there have been changes in the presentation of the financial statements;
- c) whether there are significant auditing and financial reporting matters, material audit adjustments, material fluctuations in balances, significant judgement and estimates made by the Management, significant or unusual events or transactions highlighted by the external auditors, and how these matters are addressed;
- d) whether significant contingent liabilities and commitments have been properly disclosed;
- e) whether the going concern assumption used in the preparation of the financial statements is appropriate;
- f) whether the financial statements are in compliance with accounting standards and other legal requirements;
- g) whether the financial statements taken as a whole provide a true and fair view of the financial position and performance of the Group and the Company;
- h) review the external auditors' report and findings arising from audits including the comments and responses in management letters; and
- i) whether there are any qualifications in the auditors' report that must be discussed and properly acted upon.

- iii) report its findings on the financial performance, financial management, and other significant matters to the Board, and if appropriate, recommend to the Board the issuance of the quarterly and audited financial statements to Bursa Securities.
- iv) discuss problems and issues encountered during the interim and final audits, and any matter the external auditors may wish to discuss (in the absence of the Management, where necessary).
- v) review the recommendation to the Board on interim and final dividend.

## 5.2 External auditors

- i) consider and recommend the appointment or re-appointment of the external auditors, the level of audit fees and any questions regarding resignation or dismissal.
- ii) annually assess the suitability, objectivity and independence of the external auditors, taking into consideration the following:
  - a) the competence, audit quality and resource capacity of the external auditors in relation to the audit;

- b) the nature and extent of non-audit services rendered and the level of fees paid for such services relative to audit fees. In this connection, the Committee shall review and approve all proposed non-audit services, including proposed fees, prior to work commencement;
- c) the conduct of and independence demonstrated by the external auditors throughout the audit engagement. In this connection, the Committee shall obtain written confirmation from the external auditors that they are, and have been, independent in accordance with all relevant professional and regulatory requirements; and
- d) the conduct of an annual evaluation of the performance of the external auditors and undertaking follow-up measures, where necessary;

- iii) review and recommend for the Board's approval on the non-audit services before they are rendered by the external auditors and its affiliates while considering the nature of the extent of the non-audit services and the appropriateness of the level of fees; and
- iv) nominate and recommend for the Board's endorsement for Shareholders' approval on the re-appointment of the external auditors.

## 5.3 Internal audit

- i) establish an internal audit function (either in-house or outsourced, as applicable) which is independent of the Management and in relation thereto:
  - a) review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
  - b) review the annual internal audit plan, processes and the results of all internal audit assignments (including any special investigations) undertaken and ensure that appropriate actions are taken based on the recommendations;
  - c) review the budget and ensure sufficient resources are allocated to the internal audit function;
  - d) ensure that the internal audit function is independent of the activities it audits and that the head of internal audit reports functionally to the Committee directly;
  - e) appraise the performance of the internal audit function on an annual basis;
  - f) approve any appointment or termination of senior staff members of the internal audit function (if applicable);
  - g) ensure that the staff members or outsourced members who are responsible for internal audit have the relevant experience, sufficient standing and authority to enable them to discharge their functions effectively;

- h) take note of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning (if applicable);
- i) review the adequacy and effectiveness of appropriate actions taken by the Management in response to the audit findings and the Committee's recommendations; and
- j) review the annual Sustainability Statement for inclusion in the Annual Report.

- ii) determine the remit of the internal audit function.

## 5.4 Risk management and internal control

- i) provide direction, oversight and advice on the risk management process.
- ii) perform the following in relation to risk management and internal controls:
  - a) review the adequacy and effectiveness of risk management, internal control, anti-corruption, whistle-blowing and governance processes implemented within the Group;
  - b) monitor risk management process to ensure they are integrated into all core business processes;
  - c) review the relevant reports and policies, and ensure that all risks are well managed;
  - d) advise the Board on risk-related issues, recommend strategies, policies, and risk tolerance levels for the Board's information and approval as appropriate;
  - e) monitor material risk exposure with potentially significant business impact or requiring a group-wide response, including reviewing and deliberating on mitigation strategies proposed by management for key issues;
  - f) review the Group's risk management policy and implementation of the risk management framework; and
  - g) review the statement on risk management and internal control for inclusion in the Company's Annual Report.

## 5.5 Related party transactions and conflicts of interest

- i) perform the following in relation to related party transactions and conflicts of interest:
  - a) ensure that the Group establishes a comprehensive framework for the purposes of identifying, evaluating, approving, reporting related party transactions and monitoring conflict of interest situations;

- b) review with the internal auditors their quarterly report from work performed to establish whether recurring related party transactions have been carried out in accordance with the mandate approved by shareholders and on commercial terms no more favourable than those available to non-related third parties;
- c) review non-recurring corporate proposals involving related parties to ensure that they are in the best interest of the Group and not detrimental to the interest of minority shareholders;
- d) monitor, review and report to the Board any conflict of interest or potential conflict of interest involving Relevant Officers (Directors and Key Senior Management) that arose, persist or may arise within our Group together with the measures taken to resolve, eliminate or mitigate such conflicts, as well as disclosing them in the annual report and the ARMC report; and
- e) review the Group's conflict of interest policy from time to time and ensure relevance with the requirements of acts, rules and guidelines currently in force.

## 5.6. Anti-bribery and corruption

- i) perform the following in relation to anti-bribery and corruption:
  - a) oversee the implementation and effectiveness of anti-bribery and anti-corruption policies and measures;
  - b) review the sufficiency, adequacy and comprehensiveness of the anti-bribery and corruption in line with the need to mitigate bribery risks and advise the Board on issues of compliance with regard to the applicable laws, regulations, rules, directives and guidelines;
  - c) ensure that appropriate training programs are in place for employees regarding anti-bribery and anti-corruption measures;
  - d) ensure that employees are encouraged to use any of the whistleblowing channels to report on any suspected and/or real corruption incidents;
  - e) receive update from the Management on incidents or allegations related to bribery and corruption;
  - f) ensure auditors have adequate access to information and resources to evaluate the effectiveness of anti-bribery and anti-corruption controls; and
  - g) review audit findings and recommendations related to bribery and corruption and overseeing the Management's response.

## 5.7. Sustainability

- i) perform the following in relation to sustainability:

- a) oversee the development, implementation, and periodic review of sustainability policies, procedures and strategies;
- b) ensure alignment of sustainability goals with the organisation's overall strategic objectives;
- c) monitor the effectiveness of controls and mitigation strategies for identified sustainability risks;
- d) oversee the establishment of reporting mechanisms to review and assess progress toward sustainability goals, including environmental, social, and governance aspects;
- e) oversee stakeholder engagement strategies related to sustainability issues, including shareholders, employees, customers, communities, and regulatory bodies;
- f) ensure compliance with relevant sustainability laws, regulations, and reporting requirements;
- g) stay informed about emerging sustainability standards and best practices applicable to the organisation's industry; and
- h) review the sustainability initiatives adopted by the Group and the key performance indicators on material sustainability matters.

## 5.8. Whistleblowing

- i) perform the following in relation to whistleblowing:
  - a) establish, review and together with the Management implement whistleblowing policy for the Group;
  - b) ensure that the Management establishes effective procedures for the purposes of receiving, processing, identifying, investigating, reviewing, evaluating, recommending, decision making, and responding to complaints and/or reports and/or recommendations received are in placed accordingly;
  - c) receive, process, conduct an initial enquiry on any complaints and/or reports and/or recommendations received and determine the genuineness of the concern/ allegation submitted to it;
  - d) dismiss any complaints and/or reports and/or recommendations if the same shall have no basis or merits or is not a matter to be dealt with under the whistleblowing policy;
  - e) investigate each merited claim independently using appropriate channels, resources and expertise and shall nominate an investigation team to investigate any such complaints and/or reports and/or recommendations, if deemed necessary;
  - f) review the findings of the investigation in respect of any complaints and/or reports and/or recommendations to the Board and determine

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the appropriate actions to be taken as well as to make recommendations to implement procedures or take preventive measures, where necessary, to minimise or prevent the occurrence of the misconduct in the future;

- g) respond and communicate with the whistleblower(s) on the outcome or decision of the Board on the complaints and/or reports and/or recommendations, and with the Management on the preventive measures to be taken; and
- h) consider any other matters in relation to whistleblowing as may be delegated from time to time by the Board.

## 5.9 Other Matters

- i) prepare the ARMC report at the end of the financial year for inclusion in the Annual Report pursuant to Bursa Securities ACE Market Listing Requirements.
- ii) undertake such other assignments as requested by the Board from time to time or as the Committee considers appropriate.

## 6.0 REPORTING RESPONSIBILITY

The Committee is responsible for making recommendations to the Board for consideration and adoption, but it has no executive power to implement the recommendations on behalf of the Board.

Where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Bursa Securities ACE Market Listing Requirements, the Committee has the responsibility of promptly reporting such matter to Bursa Securities.

## 7.0 MEETINGS

- 7.1 The Committee shall meet at least four (4) times annually, or more frequently, if deemed necessary.
- 7.2 In the absence of the Chairman, the Committee members present shall elect a chairman for the meeting from amongst themselves.
- 7.3 The Company Secretary shall be secretary of the Committee.
- 7.4 The Secretary shall issue and circulate the notice of Committee meetings confirming the venue, time and date at least five (5) business days before each meeting to the Committee members and all those who are required to attend the meeting. Notice can be sent by post, hand, facsimile, electronic mail or by any means of telecommunication in a permanent written form.

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## TERMS OF REFERENCE OF AUDIT AND RISK MANAGEMENT COMMITTEE

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- 7.5 Materials required for the meeting, including minutes of the previous meeting and agenda items are to be circulated at least five (5) business days before each meeting to the Committee members.
- 7.6 The internal auditors, Chief Executive Officer, Chief Financial Officer, and Group Financial Controller shall attend meetings as permanent invitees. The other Board members, other Management personnel, as well as external auditors shall attend meetings upon the invitation of the Committee.
- 7.7 At least once a year and whenever necessary, the Committee shall meet with the external auditors and internal auditors without the presence of the Management.
- 7.8 Upon the request of the external auditors, the Chairman shall convene a meeting of the Committee to consider any matter the external auditors believe should be brought to the attention of the Committee.
- 7.9 The Committee members may participate in a meeting by means of telephone or video conferencing. Such participation shall constitute presence in person at such meeting.
- 7.10 A resolution in writing, signed or approved by letter, electronic mail or other electronic communication by a majority of the Committee members, shall be as effectual as if it has been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more Committee members.

### 8.0 QUORUM & DECISION MAKING

The quorum for a Committee meeting shall be two (2) members present in person, and the majority of members present shall be Independent Directors. No business shall be transacted at any meeting of the Committee unless a quorum is present.

The decision/and or voting at meetings of the Committee shall be by a simple majority of the members present. Any decision by the Committee shall be escalated to the Board for review and ultimate approval.

### 9.0 MINUTES

- 9.1 The minutes of the meeting shall be action-oriented, and record the deliberations and decisions of the Committee. Minutes shall include compiled instructions as matters arising for discussion at each meeting to ensure proper follow-through.
- 9.2 Draft minutes shall be distributed to Committee members for comments in between two (2) and four (4) weeks after the meeting. The minutes shall be approved by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next meeting.

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- 9.3 Copies of the minutes of each meeting shall be distributed to all members of the Board, the Group Financial Controller and internal auditors to ensure proper key action is taken.
- 9.4 Minutes of Committee meetings shall be kept at the registered office.
- 9.5 The Chairman shall orally report on the proceedings of each Committee meeting at the first Board meeting following the Committee Meeting.

## **10.0 GENERAL MEETINGS**

The Chairman of the Committee shall attend all general meetings to answer questions raised by shareholders on the activities of the Committee.

## **11.0 CONTINUOUS PROFESSIONAL DEVELOPMENT**

The Committee members shall undertake continual professional development training to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

## **12.0 REVIEW**

The Committee shall recommend any changes to its terms of reference in such manner as it deems appropriate to the Board for approval. The terms of reference shall be assessed, reviewed, and updated at least once every three (3) years or as and when the need arises to keep it current and relevant at all times i.e. when there are changes to the Malaysian Code on Corporate Governance, Bursa Securities ACE Market Listing Requirements or any other regulatory requirements. It should also be reviewed and updated when there are changes to the direction or strategies of the Group that may affect the Committee's role.

*This Terms of Reference was reviewed, approved and adopted by the Board on 4 February 2025.*

**APPENDIX 4:**  
**TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE**



TERMS OF REFERENCE  
OF NOMINATION AND REMUNERATION  
COMMITTEE

SUMISAUJANA GROUP BERHAD  
COMPANY NO: 202101023259 (1423559-T)

4 FEBRUARY 2025

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## 1.0 OBJECTIVES

The principal objective of the Nomination and Remuneration Committee (“NRC” or the “Committee”) is to assist the Board of Directors (“Board”) in assessing, proposing new nominees for the Board, and to ensure that the Board comprises Directors with an appropriate mix of skills, knowledge, experience, independence, competencies, and diversity (including diversity in age, cultural background and gender) with a proper balance of Executive Directors and Independent Directors as well as to ensure there are succession plans for Directors and Management.

The NRC is also to assist the Board in developing and establishing competitive remuneration policy and packages for the Board and Management.

The NRC would also support the Board in the annual assessment of Board, Board Committees and individual Director’s performance.

The Board decides on the nominees and remuneration package after considering the recommendations of the NRC. The individual directors will abstain from discussing their own remuneration.

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## 2.0 COMPOSITION OF MEMBERS

2.1 The Board shall elect the members of the NRC from amongst themselves, and shall consist of not less than three (3) members, comprising exclusively of Non-Executive Directors and a majority of Independent Directors.

*In this respect, the Board adopts the definition of "independent director" as set out in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any practice notes issued thereto.*

2.2 The chairman of the Board shall not be appointed as a member of the NRC.

2.3 In the event of any vacancy in the NRC resulting in the number of members of the NRC falling below 3, the vacancy shall be filled as soon as possible, but shall not be later than 3 months of that event.

2.4 All members of the NRC, including the Chairman, shall hold office only for so long as they serve as Director of the Company. Members of the NRC may relinquish their membership in the NRC with prior written notice to the Secretary.

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## 3.0 CHAIRMAN

3.1 The Chairman of the Committee (“Chairman”) shall be elected from amongst the NRC members as approved by the Board.

3.2 In the absence of the Chairman, the members of the NRC present shall amongst themselves elect an Independent Director to chair the meeting.

## 4.0 SECRETARY

The Secretary of the NRC shall be the Company Secretary of the Company.

## 5.0 MEETINGS

- 5.1 The NRC may meet together for the despatch of business, adjourn and otherwise regulate their meetings at least once a year or more frequently as deemed necessary. The Chairman may call for additional meetings at any time at his discretion.
- 5.2 The Secretary shall, on the requisition of the members of the NRC, summon a meeting of the NRC. Except in the case of an emergency, Notice of NRC meetings shall be given in writing at least five (5) business days before each meeting to the NRC members and all those who are required to attend the meeting. Notice can be sent by post, hand, facsimile, electronic mail or by any means of telecommunication in a permanent written form.
- 5.3 The Executive Directors and other Key Senior Management personnel, may be invited to attend meetings to discuss the performance of Executive Directors and Key Senior Management and make proposals as necessary.
- 5.4 Executive Directors should play no part in decisions on their own remuneration.
- 5.5 The members of the NRC may participate in a meeting by means of conference, telephone, conference videophone, or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.
- 5.6 A resolution in writing, signed or approved by majority of the members of the NRC, shall be as effectual as if it has been passed at a meeting of the NRC duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more members of the NRC. Such resolution may be approved by letter, electronic mail or other electronic communication.
- 5.7 Questions arising at any meeting shall be determined by a majority of votes of the members present and a determination by a majority of members shall for all purposes be deemed a determination of the NRC.
- 5.8 In the case of an equality of votes, the chairman of the meeting shall have a second or casting votes provided that where two (2) members form a quorum, the chairman of the meeting at which only such a quorum is present, or at which only two members are competent to vote on the question at issue, shall not have a casting vote.

## 6.0 MINUTES

- 6.1 The minutes of the meeting shall be action-oriented, and record the deliberations and decisions of the NRC. Minutes shall include compiled instructions as matters arising for discussion at each meeting to ensure proper follow-through.

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6.2 Draft minutes shall be distributed to NRC members for comments in between two (2) and four (4) weeks after the meeting. The minutes shall be approved by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next meeting.

6.3 The NRC shall cause minutes to be duly entered into minutes books provided for the purposes:

- a) of the names of all NRC members - and other participants of each meeting of the NRC;
- b) of all resolutions and proceedings of the NRC Meetings;
- c) of all orders, recommendations and reports made by the NRC; and
- d) such minutes shall be signed by the Chairman of the NRC at which the proceedings were held or by the Chairman of the next succeeding meeting, and if so signed, shall be conclusive evidence without any further proof of the facts therein stated.

6.4 The books containing the minutes of the proceedings of the NRC shall be kept by the Company at the Registered Office of the Company subject to the provisions of the Companies Act 2016, relating to keeping the minutes the Board and any committee of the Board.

## 7.0 QUORUM

The quorum for a meeting of the NRC shall be two (2) members, present in person and the majority of members present shall be Independent Directors. No business shall be transacted at any meeting of the NRC unless a quorum is present.

## 8.0 DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the NRC are as follows:

8.1 Appointments

- i) consider and recommend to the Board, candidates for any directorship proposed by the Management, shareholders, the Board or other sources such as independent recruitment firms, taking into consideration the following criteria:
  - required skill, knowledge, expertise, experience and competence;
  - time commitment, character, professionalism and integrity;
  - diversity in age, gender, culture, experience and independence;
  - number of directorships in companies (including non-listed companies) outside the Company and its subsidiaries ("Group");
  - specialist knowledge or technical skill;

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# TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE



- criteria set out in the Company's Directors' fit and proper policy; and
- any business interest or relationship that may result in a conflict of interest that could affect the execution of the role.

ii) consider and recommend to the Board, Director(s) or officer(s) of the Company to fill the seats on Board committees.

## 8.2 Re-election/Re-appointment

- i) ensure every Director is subject to retirement at least once every 3 years. A retiring Director shall be eligible for re-election.
- ii) recommend to the Board, candidates for re-election of Directors, to be approved by shareholders, pursuant to the Company's Constitution. The re-election of the Directors shall take into consideration the criteria set out in the Directors' fit and proper policy and shall be contingent upon the satisfactory evaluation of their performance and contribution to the Board.

## 8.3 Annual Performance Assessment

- i) review annually the structure, size and composition of the Board, including the skill, knowledge, experience, and diversity of each Director and core competencies which Non-Executive Directors should bring to the Board and to ensure the composition of the Board is refreshed periodically.
- ii) assess annually, the effectiveness of the Board as a whole and each Director individually, the Chairman of the Board, as well as the effectiveness of the various committees of the Board and to review the results of the performance evaluation thereafter.
- iii) review annually, the term of office, competency and performance of the Audit and Risk Management Committee and each of its members to determine whether they have carried out their duties in accordance with their terms of reference.
- iv) conduct an assessment annually on the independence of each of the Independent Directors to ensure he/she is continually fit and maintains independence in order to provide appropriate scrutiny and impartial judgement.
- v) develop, maintain and review the criteria for evaluating the performance of the Board and Board Committees and each individual Director including the performance in addressing the Group's material sustainability risk and opportunities.

## 8.4 Succession planning

- i) give consideration to succession planning for Directors and other Key Senior Management, taking into account the challenges and opportunities facing the Group and the skills, expertise and gender diversity needed on the Board and the Key Senior Management in the future.

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ii) review the leadership needs of the Group, both executive and non-executive, with a view to ensuring the continued ability of the Group to compete effectively in the marketplace.

8.5 Determine and recommend to the Board the remuneration policy for Executive Directors, Non-Executive Directors, and Key Senior Management with the objective of attracting, retaining, and motivating Directors and Key Senior Management of the quality required.

8.6 Review and recommend to the Board in relation to the remuneration structures of the Executive Directors, Non-Executive Directors and Key Senior Management in all forms, taking into account the following criteria (where applicable):

- the roles and level of responsibilities;
- required qualification, skills, competence, experience and time commitment;
- complexity of the business of the Group;
- Group's business strategy and long-term objectives;
- Group's performance in operating results as well as managing material sustainability risks and opportunities; and
- market statistics of other companies of a similar size in a comparable industry sector.

8.7 In respect of Executive Directors, to ensure that the remuneration package commensurate with the skills and responsibilities expected of the director concerned and is sufficient to attract and retain Directors needed to run the Company successfully.

8.8 In respect of Non-Executive Directors, to ensure via the Board as a whole that the remuneration payable reflects the experience, time demanded of the directors to discharge their duties and responsibilities undertaken.

8.9 In respect of Key Senior Management, to ensure that the remuneration package commensurate with the individual's performance, skills, experience, level of responsibility as well as the market benchmarks.

8.10 Recommend performance bonus, annual increment, market adjustment, and promotion increment budget to the Board for consideration and approval.

8.11 Recommend continuing appropriate training programmes for Directors during the year.

8.12 Consider and examine such other matters as the NRC considers appropriate.

8.13 Engage external professional advisors to assist and/or advise the NRC, on remuneration matters, where necessary.

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# TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE

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- 8.14 Review the fees of the Non-Executive Directors and any benefits payable to them including any compensation for loss of employment of director or former director before presenting to the shareholders for approval.
- 8.15 Provide clarification to shareholders during general meetings on matters pertaining to the remuneration of Directors and Key Senior Management as well as the overall remuneration framework of the Company.
- 8.16 Review the policies and procedures of the remuneration framework as and when necessary.
- 8.17 Establish and review periodically framework of policies formalising the Group's approach and commitment towards an effective Board.
- 8.18 Keep up-to-date and fully informed about strategic issues and commercial changes affecting the Group and the market in which it operates.
- 8.19 Prepare a NRC report at the end of the financial year for inclusion in the Annual Report pursuant to ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.
- 8.20 Act in line with the Board.

## 9.0 REPORTING RESPONSIBILITIES

- 9.1 The Chairman shall report to the Board on its proceedings after each meeting on all matters within the scope of its duties and responsibilities.
- 9.2 The NRC shall make whatever recommendations to the Board it deems appropriate, on any area within its terms of reference and/or where action or improvement is needed.
- 9.3 The NRC shall report to the Board on its activities, based on these Terms of Reference.

## 10.0 REVIEW

The NRC shall recommend any changes to its terms of reference in such manner as the NRC deems appropriate to the Board for approval. The terms of reference shall be assessed, reviewed, and updated at least once every three (3) years or as and when the need arises to keep it current and relevant at all times with the Malaysian Code on Corporate Governance and Bursa Malaysia Securities Berhad's ACE Market Listing Requirements.

*This Terms of Reference was reviewed, approved and adopted by the Board on 4 February 2025.*