



Advance Synergy Berhad

(Registration No. 192001000024 (1225-D))

Board Charter

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1. OVERVIEW AND PURPOSE

The direction and control of Advance Synergy Berhad (“ASB” or “the Company”) and its subsidiaries (“Group”) rest firmly with the Board of Directors of ASB (“Board”) as it effectively assumes the overall responsibility for corporate governance, strategic direction, formulation of policies and overseeing the investments and operations of the Group.

The purpose of the Board Charter is to clearly identify the respective roles and responsibilities of the Board, Board Committees, individual directors and management of the Group, issues and decisions reserved for the Board and to outline the core principles of corporate governance which the Group subscribes to and serves as a source of reference and primary induction literature providing insights to Board members and senior management.

2. KEY VALUES, PRINCIPLES AND ETHOS OF THE COMPANY

The Company is committed to maintaining a high standard of ethical conduct and professionalism in the Group.

The Company believes that good governance is key to a strong and successful organisation for excellence in every undertaking and ensures sustainable growth.

Our values are:

- To Our Shareholders

We ensure a fair return so that our shareholders will value their investment.

- To Our Customers

We value our customers by providing them with high quality products and services at competitive prices.

- To Our Employees

We care for our people by creating a conducive work environment, nurturing them to their fullest potential and recognising their contribution.

- To Our Community

We honour our social obligations and contribute to the economic and social wellbeing of every community in which we operate.

Our principles include:

- maintain good corporate governance standards;
- act in accordance with laws and regulations;
- ensure proper disclosure of information in a timely manner; and
- ensure accountability with clear lines of responsibility.

3. THE BOARD OF DIRECTORS

The Board of ASB is collectively fully responsible for the strategic direction, control and optimising the performance of the Group for the long-term success and delivery of sustainable value to its stakeholders. In discharging its fiduciary duties and responsibilities, the Board provides leadership, champions core values, integrity, good governance, and management oversight.

The principal roles and responsibilities of the Board are as set out in item 7 below.

The Board may refer to the Company Director's Responsibilities booklet published by the Companies Commission of Malaysia ("SSM") in 2023 for guidance on the expected minimum standards of conduct required of all directors in carrying out their duties and responsibilities as directors under the Companies Act 2016 ("Act"). The Company Director's Responsibilities booklet is accessible at the SSM's website via the following link:

[https://www.ssm.com.my/Pages/Publication/Booklet/document/Code%20of%20Ethics%20\(FINAL\)%20V1.pdf](https://www.ssm.com.my/Pages/Publication/Booklet/document/Code%20of%20Ethics%20(FINAL)%20V1.pdf).

4. DELEGATION TO COMMITTEES

The Board from time-to-time establishes Committees as is considered appropriate to streamline or assist the discharge or execution of its duties and responsibilities. For each Committee, the Board adopts a formal terms of reference setting out the matters relevant to the composition, role, function, responsibilities and administration of such Committees.

The Board has, at the date of this Charter, established the following four (4) Board Committees:

- a. Audit Committee;
- b. Nomination Committee;
- c. Remuneration Committee; and
- d. Risk Management and Sustainability Committee.

These Board Committees' terms of reference are set out in **Schedule 1**.

The Executive Directors, being in executive positions, shall not serve on any of the above four (4) Board Committee to preserve and maintain the independence in the Committee's deliberation.

The Board also established the following other Committees:

- a. Share Grant Scheme Committee with its terms of reference set out in **Schedule 1**.
- b. Whistleblowing Committee with its terms of reference set out in **Schedule 1**.

Division of Roles between the Board and the Committees

The Committees shall operate under their respective terms of reference. The Committees are authorised by the Board to deal with and to deliberate on matters delegated to them within their terms of reference. The Chair of the respective Committees reports to the Board on the outcome of the Committee meetings and the reports tabled at the Committee's meeting and its minutes will be included in the Board papers. Although the Board has granted certain discretionary authority to these Committees as set out in their respective terms of reference, the ultimate responsibility for final decision on all matters lies with the Board.

5. DELEGATION TO MANAGEMENT

Relationship with Management

- a. The Board delegates management of the Group's resources to the senior management team under the leadership of the Group Executive Deputy Chair and Group Managing Director, to deliver the strategic direction and goals determined by the Board. A key function of the Board is to monitor the performance of senior management.
- b. The Board will be supplied by Management with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. Directors are entitled to request additional information at any time when they consider it appropriate.

6. DIVISION OF ROLES BETWEEN THE GROUP CHAIR, GROUP EXECUTIVE DEPUTY CHAIR AND THE GROUP MANAGING DIRECTOR

- a. The Board will ensure that there's clear division of the roles and responsibilities of the Group Chair, Group Executive Deputy Chair and the Group Managing Director and there is a balance of power and authority.
- b. The position of Group Chair, Group Executive Deputy Chair and Group Managing Director shall be held by different individuals.
- c. Regular review of the division of responsibilities shall be conducted by the Board to ensure that the dynamic needs of the Group are consistently optimised.

7. ROLES AND RESPONSIBILITIES

7.1 Role of the Board

The Board has the ultimate responsibility to set strategic direction and policy in relation to the business and affairs of ASB and the Group for the benefit of the shareholders and other stakeholders of ASB. The Board is accountable to shareholders for the performance of the Group.

The Board does not manage the day-to-day operations of the Group. This is delegated to management of the respective subsidiaries through the Group Executive Deputy Chair and Group Managing Director.

Key responsibilities:

7.1.1 Reviewing and adopting a strategic plan for the Group

The Board will be responsible for:

- a. reviewing and approving Management's proposal on strategic plan and annual budgets for the Group;
- b. overseeing and monitoring the implementation of the approved strategic plan and annual budgets by Management;
- c. ensuring that the strategic plan supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability; and
- d. reviewing and approving Management's proposal on material mergers, acquisitions and divestitures of the Group.

7.1.2 Overseeing the conduct of the Company's business

The Board will be responsible for:

- a. overseeing and assessing the performance of Management to determine if the business is being properly managed; and
- b. ensuring that there are measures in place against which Management's performance can be assessed.

7.1.3 Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures

The Board understands the principal risks of all aspects of the Group's business and recognise that business decisions involve the taking of appropriate risks. The Board establishes the Group's risk appetite and risk principles. This is intended to achieve a proper balance between potential risks and potential returns to shareholders. The Board believes that a sound risk management is essential to ensuring success in the Group's performance and ensures that there are systems in place to effectively monitor and manage these risks. The Board is responsible for:

- a. establishing a formal structure for the Group's Risk Management and Sustainability Committee in ensuring that there is a sound system, policy and/or framework in place for risk management and internal controls;
- b. the Group's system of internal controls including establishment of appropriate control environment and framework as well as reviewing its integrity and adequacy on a regular basis;
- c. articulating, implementing, monitoring and reviewing the Group's risk management strategy and internal controls systems in mitigating the risk of failure to achieve corporate objectives;
- d. inculcating a risk awareness culture across all levels of staff through effective communication, training and the development of commitment to the Group Risk Management Framework;

- e. reviewing and approving the Group's risk management policies, risk management framework which include risk assessment, response, communication and governance as key components to provide a comprehensive and proactive approach in managing risks, risk models and risk tolerance; and
- f. ensuring that appropriate and proportionate resources are allocated to risk management activities.

The Group Enterprise Risk Management and Sustainability Framework is set out in **Schedule 2** of the Charter.

7.1.4 Succession planning

In this respect, the Board will be responsible for:

- a. proper succession planning by ensuring all candidates appointed to senior management positions are of sufficient calibre with core capabilities, skills and experience in areas of strategy, leadership and execution; and
- b. having programmes/measures in place to provide for the orderly succession of the Board and senior management.

The Succession Planning Programme is set out in **Schedule 3** of the Charter.

7.1.5 Overseeing the development and implementation of a stakeholder communications policy for the Company

The Board will be responsible for overseeing the relations with shareholders by monitoring communications to shareholders and Bursa Malaysia Securities Berhad ("Bursa Securities"), including monitoring:

- a. arrangements for the annual general meeting and other shareholders' meetings (if any);
- b. matters relating to reports and disclosures as required by laws and regulations; and
- c. timely disclosures made under Bursa Securities' continuous disclosure requirements.

The Board will also be responsible for ensuring that the Company has in place procedures to enable effective communication with stakeholders.

The Stakeholder Communications Policy and Corporate Disclosure Policy are set out in **Schedule 4** and **Schedule 5** of the Charter respectively.

7.1.6 Sustainability

The Board is responsible for:

- a. taking on supervisory and advisory roles and providing strategic direction in sustainability policies and decision making process;

- b. together with Management, the effective governance and management of sustainability initiatives and practices of the Group including setting the Group's sustainability strategies, priorities and targets;
- c. ensure the establishment of an effective Sustainability Management System which is supported by underlying internal controls, risk management practices, clear accountability and reporting process;
- d. exercising its duties in, among others, the development and implementation of Group's strategies, business plans, performance measures, major plans of action, risk management and decision making process which shall take into account sustainability considerations, the Economic, Environmental and Social ("EES") risks as well as the opportunities and threat to the sustainability of the Group's activities, structure and operations arising from such EES risks;
- e. ensuring that the Group's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders;
- f. taking appropriate action to stay abreast with and understand the sustainability matters relevant to the Group and its business, including climate-related risks and opportunities;
- g. the performance evaluations of the Board and/or senior management which may include a review on their performance in addressing the Group's material sustainability risks and opportunities; and
- h. reviewing and approving the Group Enterprise Risk Management and Sustainability Framework (as set out in **Schedule 2** of the Charter), material/key EES matters and assessment parameters including reviewing steps to monitor, mitigate and/or prevent the EES risks, the performance against the target set on identified measurement indicators for each of the material/key sustainability matters.

7.1.7 Financial Reporting

In this regard, the Board will be responsible for:

- a. ensuring that the financial statements are prepared so as to give a true and fair view of the current financial status of the Company in accordance with the approved accounting standards and the Act;
- b. ensuring that all its Directors are able to understand financial statements and form a view on the information presented; and
- c. ensuring the integrity of the Company's financial and non-financial reporting.

7.1.8 Matters Reserved for the Board

A formal schedule of Matters Reserved for the Board is set out in **Schedule 6** of the Charter.

7.2 Role of the Directors

All Directors should objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company and/or the Group. All Directors must act with integrity, lead by example, keep abreast of his responsibilities as a Director and of the conduct, business activities and development of the Company and/or the Group. In carrying out the responsibilities and powers as set out in the Charter and meeting the goals and objectives of the Company and/or the Group, the Directors shall:

- a. together with senior management, promote and/or maintain good corporate governance culture which reinforces ethical, prudent and professional behaviour;
- b. exercise care and diligence and with integrity and objectivity;
- c. act in accordance with laws and regulations;
- d. avoid, eliminate, mitigate, manage and/or resolve conflicts of interest; and
- e. commit sufficient time necessary to discharge their responsibilities.

7.3 Role of the Independent Directors

The principal role of the Independent Directors is to bring independent and objective judgment to the Board and have the ability to exercise their duties free from conflict of interest or undue influence from interested parties.

7.4 Role of the Group Chair, Group Executive Deputy Chair and Group Managing Director

The Board shall elect a Group Chair from among themselves. The Board delegates the Company's governance and management functions to Management through the Group Executive Deputy Chair and Group Managing Director. The Group Managing Director reports to the Group Chair, Group Executive Deputy Chair and the Board while the Group Chair and Group Executive Deputy Chair report to the Board.

- a. The key responsibilities of the Group Chair include:
 - i. to provide effective leadership to the Board by –
 - aa. leading the Board in setting the values and standards of the Company;
 - bb. leading the Group and ensuring effective implementation of Board decisions;
 - cc. leading the Board in the adoption and implementation of good corporate governance practices in the Company and ensuring the Executive Directors look beyond their executive functions and accept their full share of responsibilities on governance;
 - dd. maintaining a relationship of trust with and between the Executive and Non-Executive Directors;
 - ee. providing guidance and mentoring to the Group Executive Deputy Chair and Group Managing Director;

- ff. promoting consultative and respectful relations between Board members and between the Board and Management;
 - gg. encouraging all the Board members to play an active role in Board activities;
 - hh. ensuring the provision of accurate, timely and clear information to Directors;
 - ii. ensuring that appropriate steps are taken to provide effective communication with shareholders and relevant stakeholders and that their views are communicated to the Board as a whole;
 - jj. ensuring the regular evaluation of the performance/effectiveness of the Board, its Committee and individual Directors; and
 - kk. facilitating the effective contribution of Non-Executive Directors and ensuring constructive relations be maintained between Executive and Non-Executive Directors;
- ii. in consultation with the Group Executive Deputy Chair, Group Managing Director and the Company Secretary, to set the agenda for Board meetings and ensure that all relevant issues are on the agenda;
 - iii. to chair meetings and discussions of the Board and general meetings of members;
 - iv. to ensure a quorum is present at each Board meetings and general meetings of members;
 - v. to ensure the efficient conduct of the Board meetings, whereby –
 - aa. all Directors are properly briefed on issues arising at Board meetings;
 - bb. sufficient time is allowed for the adequate deliberation of complex or contentious issues and, where appropriate, arranging for informal meetings beforehand to enable thorough preparation for the Board’s deliberation;
 - cc. encouraging active participation and allowing dissenting views to be freely expressed;
 - dd. quality information to facilitate decision making is delivered to Board members on a timely basis;
 - ee. all Directors have full and timely access to information;
 - ff. the issues discussed are forward looking and concentrates on strategy;
 - gg. the Board comes to clear decisions and resolutions are noted; and
 - hh. the Group Chair will have a casting vote in the event of an equality of votes except where only two Directors form a quorum and where only two Directors are competent to vote on the question at issue;

- vi. to ensure every Board resolution is put to vote to ensure the will of the majority prevails;
 - vii. to encourage Non-Executive Directors to meet among themselves at least annually to discuss among others strategic, governance and operational issues;
 - viii. to ensure that Board Committee meetings are not combined with the main Board meeting;
 - ix. to undertake appropriate public relations activities together with the Group Executive Deputy Chair and the Group Managing Director;
 - x. to be the spokesperson for the Company; and
 - xi. to carry out any other duties as directed by the Board.
- b. The key responsibilities of the Group Executive Deputy Chair include:
- i. to assist the Group Chair in performing his role and responsibilities and to assume the role as acting Group Chair in his absence;
 - ii. to examine all major trade investments and disposals and capital expenditure proposed by the Group;
 - iii. to identify new business opportunities outside the current core activities;
 - iv. to review and decide, in consultation with the Group Managing Director, the key executive remuneration and terms of employment;
 - v. to make recommendations to the Nomination Committee on the appointment of executive directors;
 - vi. to undertake appropriate public relations activities together with the Group Chair and the Group Managing Director;
 - vii. to regularly review progress on important initiatives and significant issues faced by the Company and/or the Group together with the Group Managing Director; and
 - viii. to carry out any other duties as directed by the Group Chair and the Board.
- c. The key responsibilities of the Group Managing Director include:
- i. to implement the policies, strategies and business plans adopted by the Board and to report accordingly to the Board as a whole on the same;
 - ii. to monitor and oversee the business of the Group and report to the Board on significant changes in the business and external environment which affect the operations of the Group at large;
 - iii. to manage the Company's businesses with all powers, discretions and delegations authorised from time to time by the Board;

- iv. to be accountable to the Board for the achievement of the Company's goals and for the observance of the Management's limitations;
- v. to be the conduit between the Board and the Management in ensuring the success of the Company's governance and management functions;
- vi. to undertake appropriate public relations activities together with the Group Chair and the Group Executive Deputy Chair; and
- vii. to carry out any other duties as directed by the Group Chair, Group Executive Deputy Chair and the Board.

7.5 Role of the Committees

The main role of the Committees is to assist the Board in discharging their duties and responsibilities in accordance with the respective terms of reference duly approved by the Board. These Committees act by examining relevant matters and making recommendations to the Board. The minutes and reports tabled at the Committees' meetings shall be included amongst the Board papers made available to all Directors.

The terms of reference shall address the role, duties and responsibilities, size and composition, summary of activities involved and any other matters the Board may consider appropriate and the same shall be reviewed by the Board on an annual basis as part of the self-assessment performance evaluation process.

8. COMPOSITION

8.1 Composition and Size

The composition of the Board of ASB shall be determined using the following principles:

- a. pursuant to Clause 153 of the ASB's Constitution, there must be at least two (2) directors. The shareholders can vary this minimum (which must be at least two (2)) and/or decide or vary a maximum number of directors and determine in what rotation such increased or reduced number shall retire from office by passing an ordinary resolution;
- b. the Board shall comprise the minimum number of independent and/or non-executive directors as prescribed by the applicable laws/regulations/requirements from time to time;
- c. pursuant to Practice 5.2 of the Malaysian Code on Corporate Governance issued in 2021 ("MCCG 2021"), at least half of the Board comprises independent directors;
- d. pursuant to Paragraph 15.02 of the Main Market Listing Requirements of Bursa Securities ("Listing Requirements of Bursa Securities"), the Board shall consist of at least two (2) directors or one-third (1/3) of the Board, whichever is the higher, who are independent directors; and with at least one (1) woman Director. According to Practice 5.9 of MCCG 2021, the Board should comprise at least thirty percent (30%) women directors.

- e. the Board shall consist of qualified individuals with an appropriate range and mix of character, skills, knowledge, experience, expertise, professionalism, integrity, competencies, time commitment and other qualities (including diversity in gender, age, cultural background and ethnicity and meeting the fit and proper criteria as set out in **Schedule 7** of the Charter) to ensure Board effectiveness;
- f. the positions of Group Chair, Group Executive Deputy Chair and Group Managing Director shall be held by separate persons;
- g. the Group Chair of the Board shall not be a member of the Audit Committee, Nomination Committee or Remuneration Committee pursuant to Practice 1.4 of MCCG 2021;
- h. the Nomination Committee shall be chaired by an Independent Director or the Senior Independent Director pursuant to Practice 5.8 of MCCG 2021 and shall comprise exclusively of non-executive directors with a majority of whom must be independent pursuant to Paragraph 15.08A of the Listing Requirements of Bursa Securities;
- i. the composition of the Audit Committee shall be in accordance with Paragraphs 15.09 and 15.10 of the Listing Requirements of Bursa Securities which has been incorporated under the Terms of Reference of the Audit Committee as set out in **Schedule 1** of the Charter. The Chair of the Audit Committee shall not be the Chair of the Board pursuant to Practice 9.1 of MCCG 2021 and the Audit Committee shall comprise solely of independent directors according to the Step Up Practice 9.4 of MCCG 2021;
- j. pursuant to the Step Up Practice 10.3 of MCCG 2021, the Board shall establish a risk management committee which comprises a majority of independent director, to oversee the Company's risk management framework and policies; and
- k. the Nomination Committee shall ensure that the composition of the Board is reviewed periodically. The tenure of each Director shall be reviewed by the Nomination Committee and annual re-election of a Director shall be contingent on satisfactory evaluation of the Director's performance and contribution to the Board.

8.2 Nomination and Appointment

- a. The Nomination Committee is responsible for making recommendations on any nomination for appointment of new directors to the Board and to the Committees pursuant to a formal transparent procedure including (1) identification of candidates for directorship; (2) evaluation of suitability of candidates; (3) deliberation by the Nomination Committee; and (4) recommendation to the Board. In identifying candidates for the appointment of directors, the Board does not solely rely on recommendations from existing Board members, Management or major shareholders. The Board utilises independent sources to identify suitably qualified candidates, when appropriate.

If the selection of candidates was based on recommendations made by existing Board members, Management or major shareholders, the Nomination Committee shall explain why these sources suffice and other sources were not used.

- b. In making the recommendations, due consideration shall be given to the required mix of character, skills, knowledge, experience, expertise, professionalism, integrity, competencies, time commitment and other qualities (including diversity in gender, age, cultural background and ethnicity and meeting the fit and proper criteria as set out in **Schedule 7** of the Charter) that the proposed directors should bring to the Board and to the respective Committees. In the case of the nomination of independent non-executive directors, due consideration shall be given to evaluate the candidate's ability to discharge his/her duties as an independent director.
- c. Upon the appointment of a new Director, the Company Secretary advises the Director of his/her principal duties and responsibilities and explains the restrictions to which he or she is subject to in relation to price-sensitive information and dealings in the Company's securities.
- d. The directorships held by any Board member at any one time shall not exceed the number of listed companies and non-listed companies as prescribed by Bursa Securities from time to time.

8.3 Re-election and Retirement

- a. In accordance with the Company's Constitution, one-third (1/3) of the Directors shall retire from office at each Annual General Meeting ("AGM") but shall be eligible for re-election. All Directors shall submit themselves for re-election at least once every three (3) years consistent with the Company's Constitution and the Listing Requirements of Bursa Securities from time to time.
- b. New Directors shall hold office only until the next AGM at which they will retire and be available for re-election.
- c. In making the recommendations for any re-election and/or re-appointment of Director, due consideration shall be given to the required mix of character, skills, knowledge, experience, expertise, professionalism, integrity, competencies, time commitment and other qualities (including diversity in gender, age, cultural background and ethnicity and meeting the fit and proper criteria as set out in **Schedule 7** of the Charter) that the Director should bring to the Board and to the respective Committees.

8.4 Vacation of Office

The office of Director shall be vacated pursuant to the provisions under the Company's Constitution, the Listing Requirements of Bursa Securities and/or such other applicable rules and regulations of the relevant authorities from time to time.

8.5 Independence

- a. An Independent Non-Executive Director is an individual who is independent of management and free of any significant business or other relationships that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement, and who otherwise meet the criteria for independence as prescribed by the Listing Requirements of Bursa Securities and/or such other applicable rules and regulations of the relevant authorities from time to time.

- b. The Board shall assess the independence of the Independent Directors prior to their appointment and annually thereafter or when any new interest or relationship develops in light of interests disclosed to the Board.
- c. The Board was of the view that a Director's independence cannot be determined arbitrarily with reference to a set period of time. The independence of mind of the Independent Directors coupled with their character, skills, experience, professionalism, integrity including core competencies in exercising their objectivity and independent judgement in discharging their responsibilities in good faith in the best interest of the Company are more critical attributes in ascertaining the function and effectiveness of the Independent Directors than the number of years they have served on the Board.
- d. As stipulated in the Listing Requirements of Bursa Securities,
 - i. If the Board intends to retain an Independent Director beyond nine (9) years, it shall provide justification and seek annual shareholders' approval through a two-tier voting process; and
 - ii. All long-service Independent Directors of more than twelve (12) years shall resign as Directors or be re-designated as Non-Independent Directors on or after 1 June 2023.
- e. The Board may appoint long-service Independent Director (who has either resigned or re-designated as Non-Independent Director) as an Independent Director provided that the following are complied with:
 - i. such person has served a cooling-off period of at least three (3) years as prescribed in the definition on independent director under the Paragraph 1.01(b) and Practice Note 13(1.1)(b) of the Listing Requirements of Bursa Securities;
 - ii. such person satisfies all the independence criteria in the definition on independent director under the Paragraph 1.01 and Practice Note 13 of the Listing Requirements of Bursa Securities; and
 - iii. the listed issuer must justify the appointment of such person as an independent director, and explain why there is no other eligible candidate, in the statement accompanying the notice of general meeting and immediate announcement on the appointment of such director.

In such instance, the person's 12-year tenure as an independent director in the listed issuer will start afresh from the date of his/her latest appointment.

8.6 Time Commitment

- a. The Directors may be invited to become directors of other companies and the Directors are therefore at liberty to accept other Board appointments so long as such appointments are not in conflict with the business of the Group, will not cast doubt on the integrity and governance of the Group and do not adversely affect the Directors' performance as a member of the Board.
- b. In maintaining and monitoring the limitation on directorship as required by the Listing Requirements of Bursa Securities, the Directors upon appointment, and from time to time during their tenure, shall notify the Company Secretary of their directorship in other companies for disclosure to the Board at Board meetings.

- c. The provision of the Act and Listing Requirements of Bursa Securities are sufficient to ensure adequate commitment will be given by the Directors to perform their duties. Each Director is expected to be able to discern an appropriate amount of time to commit to the Company without it being formally regulated.

8.7 Succession

The Nomination Committee shall develop and Board shall review periodically the succession plans of the Company for the Board, Executive Directors, Non-executive Directors and Key Senior Management including the appointment, training and the performance of such persons.

8.8 Performance Assessment on Individual Directors, Board Committees and the Board as a whole

- a. The Board, through the Nomination Committee, conducts a formal review annually on the performance of each individual director, Board Committees and the Board as a whole. The Chair of the Nomination Committee shall lead the annual review and ensuring that the performance of each individual director is independently assessed, when appropriate.
- b. The annual review shall include a questionnaire comprising a self-evaluation of the individual directors, Board Committees and the Board as a whole and the responses will be collected and collated by the Company Secretary, on behalf of the Nomination Committee. The outcome of the Nomination Committee's assessment which includes if any actions taken or required to be taken or any changes to the Board composition will be minuted and reported to the Board for consideration or approval.

9. BOARD MEETINGS AND BOARD PROCESSES

9.1 Board Meetings

- a. The Board determines a schedule of planned meetings for the forthcoming year at the end of each year.
- b. Additional meetings are held as required to address specific issues.
- c. The Company Secretary attends meetings of the Board as minute secretary. Senior management will be invited to attend meetings (or parts of meetings) from time to time where necessary or on a regular basis even though they are not members of the Board.
- d. All Directors should ensure that the minutes of meetings accurately reflect the deliberations and decisions of the Board, including any dissenting views and if any Director had abstained from voting or deliberating on a particular matter. All minutes of the Board upon approval by the Board are signed by the Group Chair as a true and correct record and are then to be entered into the minute book and will be opened for inspection by any Director.
- e. The agenda of the meeting and Board papers will be collated and circulated to Directors by the Company Secretary prior to the meeting (if possible, at least five (5) business days in advance) and the Company Secretary will supervise the filing and storage of all Board papers.

- f. If at any meeting the Group Chair or the Group Executive Deputy Chair is not present within five (5) minutes after the time appointed to preside as chair of the Board meeting, the chair of the Board meeting will be assumed by a Director nominated by the Group Chair in writing or in the absence of the Group Chair's nomination, assumed by one of the Directors elected by all the Directors present at the said Board meeting to be the chair of the meeting pursuant to the provisions under the Company's Constitution.
- g. The quorum for holding a Board meeting shall be two (2) unless otherwise determined by the Directors pursuant to the provisions under the Company's Constitution.
- h. The Directors may participate in the Board and/or Committee meetings by means of video conference or conference telephone or any communication equipment designed to allow everybody to take part in the meeting. Such participation in a meeting shall constitute presence in person at such meeting.

9.2 Directors' Training

- a. Newly appointed Directors shall be briefed on the Company's business process and operations to ensure they have a comprehensive understanding of the Company's operations.
- b. In addition to the Mandatory Accredited Programme as required by the Bursa Securities, Board members are also encouraged to attend training programmes/courses/seminars on a continuous basis to keep abreast with current developments in laws, regulations and business practices, and in accounting and auditing standards, practices and rules for audit committee members, in order to aid the Directors in discharging their duties.

9.3 Access to Information and Independent Advice

- a. The Directors shall have access to all information within the Company whether as a full Board or in their individual capacities to the extent that the information required is pertinent to the discharge of their duties as director.
- b. The Directors shall have access to advice and services of the Company Secretary.
- c. After consultation with the Group Chair, Group Executive Deputy Chair, and/or Group Managing Director, the Directors shall be entitled to seek independent professional advice where necessary for the furtherance of their duties as directors at the Company's expense.

9.4 Declaration of Interest/Conflict of Interest

- a. In view of the diversity of the business activities of the Group, the Directors are expected to minimise the possibility of conflict of interest in their involvement with the Group by restricting their involvement in businesses that could lead to a conflict of interest and/or potential conflict of interest situation.
- b. In the event of the occurrence of a conflict of interest and/or potential conflict of interest situation, the particular Director shall declare his/her interests and abstain/refrain himself/herself from Board discussions and deliberations and voting in respect of those resolutions/interests.

- c. A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his/her interests in accordance with the provisions of the Act. Every Director shall give notice to the Company of such events and matters relating to him as may be necessary or expedient to enable the Company and its officers to comply with the requirements of the Act.
- d. Each director has a duty to maintain the confidentiality of information he or she learns by virtue of his or her position as director. Disclosure of such information by the director should only be made after consultation with the Group Chair or the Board.
- e. The aforesaid declarations, disclosures, notifications and measures to identify, resolve, eliminate, mitigate, manage and monitor the aforesaid conflict of interest and/or potential conflict of interest situation are as described in the Group Conflict of Interest Policy & Procedures.

The Board may refer to the Issuers Communication Notes No 1/2023 - Guidance on Conflict of Interest issued by Bursa Securities for guidance on complying with the enhanced disclosures on conflict of interest under the Listing Requirements of Bursa Securities. Among others, the Issuers Communication Note No. 1/2023 highlights some key considerations and guiding principles in determining situations of conflict of interest, potential conflict of interest and interest in competing business, as well as examples and illustrations, as reference.

The Issuers Communication Note No 1/2023 - Guidance on Conflict of Interest is available at https://www.bursamalaysia.com/regulation/communication_notes_guides.

9.5 Dealings of Securities

The Directors are obliged to observe the requirements relating to dealings of securities during and outside “Closed Period” as prescribed by the Listing Requirements of Bursa Securities and shall notify the Company and Bursa Securities of their holdings of the Company’s securities with the requisite details as prescribed by the Listing Requirements of Bursa Securities, the Act and/or such other applicable rules and regulations of the relevant authorities from time to time.

9.6 Related Party Transactions

The Board shall consider related party transactions and conflict of interest situations that may arise in any transactions, procedure or course of conduct.

9.7 Code of Ethics and Conduct

As a Board policy to protect and promote the reputation and performance of ASB, all the Directors, the management and staff are expected to conduct themselves with the highest ethical and professional standards at all times. All employees are to treat their fellow employees fairly and courteously without regard to race, creed, religion, gender, nationality, age or disability, and shall not create any form of discrimination or prejudice in the workplace.

In the performance of their duties, a Director should at all times observe the following:

- a. Devote reasonable time and effort to attend to the Company's duties required of him/her.
- b. Exercise his/her power for the purposes they were conferred and prevent any abuse of power, for the benefit and productivity of the Group.
- c. Avoid any conflict of interest especially to disclose immediately all contractual interests whether directly or indirectly within the Group.
- d. Be conscious in the process of value creation of the interest of shareholders, employees, creditors and customers of the Group.
- e. Compliance with legal and regulatory requirements as well as the Group's policies. Be aware of the Company's policy on corporate social responsibility.
- f. Ensures adequate safety measures and provide proper protection to workers and employees at work places.
- g. Protects the confidentiality and sensitivity of information provided to him/her as Directors and do not use the same, for his or her own personal gain.
- h. Refrains from dealing in the Company's shares based on non-public information.
- i. Refrains from any form of money laundering activities.
- j. Encourages the reporting of unlawful or unethical behaviour. A copy of the Group Whistleblowing Policy and Procedures is made available at the Company's website www.asb.com.my.
- k. Protects and ensures the proper use of the Group's assets.
- l. Refrains from accepting, offering or giving, directly or indirectly for themselves or for anyone else, gifts, entertainment or other benefits of value, which may be construed as an attempt to bribe or influence, or as a form of payment for a particular transaction or referral. A copy of the Group Anti-Bribery and Anti-Corruption Policy is accessible at the Company's website www.asb.com.my.
- m. Code of conduct pursuant to the Code of Ethics For Director & Company Secretary published by the SSM in 2023 which is accessible at the SSM's website via the following link:

[https://www.ssm.com.my/Pages/Publication/Booklet/document/Code%20of%20Ethics%20\(FINAL\)%20V1.pdf](https://www.ssm.com.my/Pages/Publication/Booklet/document/Code%20of%20Ethics%20(FINAL)%20V1.pdf).

The Board is responsible for establishing compliance and evaluating the effectiveness of the Company's Code of Conduct.

10. REMUNERATION

- a. The remuneration for Directors and senior management are determined at appropriate levels to ensure that the Company attracts and retains the right calibre of Directors and senior management needed to drive the long-term objectives for the successful performance of the Group. The Remuneration Committee reviews and recommends to the Board, the Company's remuneration policy framework for Directors and senior management to ensure that they are fairly and appropriately remunerated or rewarded for their contribution to the Group or individual roles and level of responsibilities.
- b. No Director shall take part in decisions pertaining to his or her own remuneration.

11. STAKEHOLDER COMMUNICATIONS

ASB aims to ensure that stakeholders are well-informed of all major developments affecting the state of affairs of the Company. To achieve this, the Company has implemented the following procedures:

- a. stakeholders can gain access to information about the Company and the quarterly/annual financial results upon its release to Bursa Securities through the Company's website www.asb.com.my;
- b. the Annual Report is also available on the Company's website;
- c. all announcements upon release to Bursa Securities and any related information are also posted on the Company's website; and
- d. ASB encourages full participation of shareholders at the AGM to ensure a high level of accountability and deliberation of the Company's strategy and goals. The Board members are in attendance at general meetings to provide explanations to all shareholders' queries and shareholders are encouraged to participate in discussions and to give their views to the Directors. The Chair of the Audit, Nomination, Remuneration and Risk Management and Sustainability Committees are also in attendance to provide response to questions. The Company will also invite the external auditor to attend the AGM and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report. Minutes of the general meeting will be circulated to shareholders by posting on the Company's website no later than thirty (30) business days after the general meeting.

The Stakeholder Communications Policy is set out in **Schedule 4** of the Charter.

12. COMPANY SECRETARY

- a. The Board shall review and approve the appointment, removal or replacement of the Company Secretary. The Company Secretary appointed shall be a person with the requisite qualifications, experience, competency and professionalism to discharge the role and responsibilities of a high standard.

- b. The Company Secretary plays a supportive role to the Board and Committees to facilitate overall compliance with the relevant regulatory requirements, codes or guidance and legislations affecting the Company.
- c. The Company Secretary is accountable to the Board through the Chair of Board and Committees on all governance matters.

In the performance of the role and function of the Company Secretary as set out in **Schedule 8**, the Company Secretary should at all times observe the code of conduct pursuant to the Code of Ethics For Director & Company Secretary published by the SSM in 2023 which is accessible at the SSM's website via the following link:

[https://www.ssm.com.my/Pages/Publication/Booklet/document/Code%20of%20Ethics%20\(FINAL\)%20V1.pdf](https://www.ssm.com.my/Pages/Publication/Booklet/document/Code%20of%20Ethics%20(FINAL)%20V1.pdf).

13. REVIEW OF BOARD CHARTER

The Board shall review the Board Charter periodically and make any necessary or desirable amendments to ensure they remain consistent with the Board's objectives, current laws and best practices.

14. PUBLICATION OF BOARD CHARTER

A copy of this Board Charter shall be available on the Company's website at www.asb.com.my.

TERMS OF REFERENCE OF COMMITTEES (as referred to in Section 4 of this Charter)**A. AUDIT COMMITTEE****1. PURPOSE**

The Audit Committee assists the Board in fulfilling its responsibility for the provision of effective governance over the appropriateness of the Group's financial reporting, including the adequacy of related disclosures, the performance of both the internal and external audit functions, and the oversight over the Group's systems of internal control, business risks and related compliance activities.

2. COMPOSITION

The Audit Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of not less than three (3) members, all of whom shall be non-executive directors, with a majority of them being Independent Directors. No alternate director shall be appointed as a member of the Audit Committee. In addition, a former partner of the external audit firm of the Company and/or the affiliate firm (including those providing advisory services, tax consulting etc.) shall not be appointed as a member of the Audit Committee unless there is a cooling-off period of at least three (3) years before the appointment.

All members of the Audit Committee shall be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process and at least one (1) member of the Audit Committee:

- (i) Must be a member of the Malaysian Institute of Accountants; or
- (ii) If he/she is not a member of the Malaysian Institute of Accountants, he/she must have at least three (3) years working experience and:
 - (a) He/she must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
 - (b) He/she 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
- (iii) Fulfils such other requirements as prescribed or approved by Bursa Securities.

In the event of any vacancy in the Audit Committee (including the position of Chair) resulting in the non-compliance of items 2(i) to 2(iii) above, the vacancy must be filled within three (3) months of the event.

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

The appointment of an Audit Committee member terminates when the member ceases to be a director.

3. CHAIR

The Chair of the Audit Committee shall be an Independent Non-Executive Director appointed by the Board from its members. The Chair of the Audit Committee is responsible for amongst others the efficient conduct of the meetings and the affairs of the Audit Committee. In the absence of the Chair of Audit Committee, members present shall elect one (1) of the members present to chair the meeting. The Chair of the Board shall not be the Chair of the Audit Committee.

4. MEETINGS AND SECRETARY

The Audit Committee shall meet at least four (4) times a year, or more frequently as the Audit Committee considers necessary. The Audit Committee shall meet with the external auditors without executive Board members present at least twice a year.

A quorum shall be two (2) members present, both of whom must be Independent Directors.

The members of the Audit Committee may participate in a meeting by means of video conference or conference telephone or any communication equipment designed to allow everybody to take part in the meeting. Such participation in a meeting shall constitute presence in person at such meeting.

All decisions shall be decided on a show of hands by a majority of votes.

A resolution in writing signed and approved by a majority of the Audit Committee members and who are sufficient to form a quorum shall be as valid and effective as if it had been passed at a meeting of the Audit Committee duly called and constituted.

The Head of Finance, representative(s) of the Internal Auditors and representative(s) of the external auditors are, when required, invited to attend the meetings. Other Board members may attend meetings upon the invitation of the Audit Committee.

The Company Secretary or such other person appointed by the Audit Committee from the Company Secretarial Department shall be the Secretary of the Audit Committee. The Secretary is responsible for sending out notices of meetings and preparing and keeping minutes of meetings.

Minutes of the Audit Committee meetings shall be extended to all the members of the Board. The Chair of the Audit Committee shall report on each meeting to the Board.

5. POWER

The Audit Committee is authorised by the Board and at the cost of the Company to perform the following:

- (i) To investigate any matter within its terms of reference;
- (ii) To have the internal audit function reports directly to the Audit Committee;
- (iii) To have the resources required to perform its duties;
- (iv) To have full and unrestricted access to any information pertaining to the Group;
- (v) To have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
- (vi) To obtain independent professional or other advice as necessary; and
- (vii) To convene meetings with the external auditors, the person(s) carrying out the internal audit function or activity or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

6. DUTIES AND RESPONSIBILITIES

The functions and duties of the Audit Committee shall be:

- (i) To report to the Board on the following:
 - (a) the review with the external auditor, the audit plan and the nature and scope of the audit;
 - (b) the review with the external auditor, his evaluation of the system of internal controls;
 - (c) the review with the external auditor, his audit report;
 - (d) the assistance given by the employees of the Group to the external auditor;
 - (e) any letter of resignation from the external auditors of the Company;
 - (f) the review and/or recommendation, evaluation, assessment and monitoring on the suitability, objectivity and independence, nomination, appointment, replacement or re-appointment of the external auditors as well as matters pertaining to resignation or dismissal/removal or change of the external auditors;
 - (g) determining the scope and fee of the external audit and ensuring that the audit is comprehensive;
 - (h) whether there is reason (supported by grounds) to believe that the external auditor is not suitable for reappointment;
 - (i) the external auditors' management letter and management's response;
 - (j) the discussion with the external auditors on problems and reservations arising from the interim and final audits, their evaluation of the system of internal controls, and any matters the external auditor may wish to discuss (in the absence of management where necessary);
 - (k) the quarterly results and year end financial statements prior to the approval by the Board, focusing particularly on:
 - changes in or implementation of major accounting policy and practices changes;
 - significant matters highlighted including financial reporting issues, significant judgement made by management, significant and unusual events or transactions, and how these matters are addressed;
 - significant adjustments arising from the audit;
 - the going concern assumption;
 - compliance with accounting standards, requirements of Bursa Securities and other legal requirements; and
 - that the financial statement taken as a whole provides a true and fair view of the Company's financial position and performance;
 - (l) the review on any related party transaction and conflict of interest situation that arose, persist or may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity, and the measures taken to resolve, eliminate, or mitigate such conflicts;

- (m) review the allocation of share grant scheme (“SGS”) shares pursuant to Advance Synergy Share Grant Scheme to ensure compliance with the criteria for allocation disclosed by the Company to the Grantee(s) (as defined in By-Laws of the SGS of the Company) at financial year; and
 - (n) the review on the adequacy of the risk management policies and procedures used within the Company and the Group as well as the statement on risk management and internal control to be prepared for the Company’s annual report pursuant to Paragraph 15.26(b) of the Listing Requirements of Bursa Securities.
- (ii) To do the following in relation to the internal audit function and report the same to the Board:
 - (a) determine the internal audit plan and review the adequacy of the scope, competency, budget and resources of the internal audit functions and that it has the necessary authority to carry out its work;
 - (b) review the internal audit plan, processes, the results of the internal audit assessments, investigations undertaken and whether or not appropriate action is taken on the recommendations;
 - (c) review any appraisal or assessment of the performance of the members of the internal audit functions;
 - (d) approve any appointment or removal/termination of senior staff members of the internal audit functions; and
 - (e) take cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning;
- (iii) To prepare the Audit Committee Report for the annual report as established by Paragraph 15.15 of the Listing Requirements of Bursa Securities and other disclosure as required by MCGG 2021, Listing Requirements of Bursa Securities and any other applicable laws and regulations from time to time where appropriate;
- (iv) Where the Audit Committee is of the view that any matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Securities, the Audit Committee must promptly report such matters to Bursa Securities;
- (v) To consider the major findings of internal investigations authorised by the Board and management’s response;
- (vi) To ensure there is a co-ordination between internal and external auditors;
- (vii) To review the terms of reference to comply with the Listing Requirements of Bursa Securities and any other applicable laws and regulations from time to time where appropriate and recommend any change to the Board for approval; and
- (viii) To carry out any other functions that may be mutually agreed upon by the Audit Committee and the Board and/or such other functions determined by the laws, relevant regulatory authorities, the Company’s by-laws or the Board.

The Chair of the Audit Committee should engage on a continuous basis with senior management, such as the Group Chair, Group Executive Deputy Chair, Group Managing Director, Head of Finance, Internal Auditors and the external auditors in order to be kept informed of matters affecting the Company.

B. NOMINATION COMMITTEE

1. PURPOSE

The Nomination Committee's primary function is to review the structure, size and composition of the Board, recommend proposed appointment(s), election(s) or re-appointment(s)/re-election(s) to the Board for approval and assess the effectiveness of the Board as a whole, Committees of the Board and contribution of each individual Director.

2. COMPOSITION

The members of the Nomination Committee shall be appointed by the Board amongst its members and shall consist of not less than three (3) members.

The Nomination Committee shall comprise exclusively of non-executive directors with a majority of independent directors.

No Alternate Director is to be appointed as a member of the Nomination Committee.

The terms of office of the Nomination Committee members shall be reviewed by the Board at least once every three (3) years.

The appointment of a Nomination Committee member terminates when the member ceases to be a director.

3. CHAIR

The Chair of the Nomination Committee shall be an Independent Director or the Senior Independent Director appointed by the Board from its members. The Chair of the Nomination Committee is responsible for amongst others the efficient conduct of the meetings and the affairs of the Nomination Committee. In the absence of the Chair of Nomination Committee, members present shall elect one (1) of the members present who is an Independent Director or the Senior Independent Director to chair the meeting. The Chair of the Board shall not be a member of the Nomination Committee.

If there is no Senior Independent Director identified by the Board, the Nomination Committee should assess the suitability to retain the current structure and to report any non-observance of any applicable recommendations, guidelines, requirements, rules and/or regulations from time to time in the Company's annual report or disclosures in any other form as may be prescribed by the relevant authorities from time to time.

4. MEETINGS AND SECRETARY

Meetings of Nomination Committee shall be held at least twice a year. Additional meetings shall be scheduled if considered necessary by the Chair of the Nomination Committee.

A quorum shall be two (2) members present.

The members of the Nomination Committee may participate in a meeting by means of video conference or conference telephone or any communication equipment designed to allow everybody to take part in the meeting. Such participation in a meeting shall constitute presence in person at such meeting.

All decisions shall be decided on a show of hands by a majority of votes.

A resolution in writing signed and approved by a majority of the Nomination Committee members and who are sufficient to form a quorum shall be as valid and effective as if it had been passed at a meeting of the Nomination Committee duly called and constituted.

The Company Secretary or such other person appointed by the Nomination Committee from the Company Secretarial Department shall be the Secretary of the Nomination Committee. The Secretary is responsible for sending out notices of meetings and preparing and keeping minutes of meetings.

Minutes of the Nomination Committee meetings shall be extended to all the members of the Board. The Chair of the Nomination Committee shall report on each meeting to the Board.

5. POWER

In carrying out its duties and responsibilities, the Nomination Committee will in principle have full, free and unrestricted access to the Company's records, properties and personnel. The Nomination Committee may use a variety of approaches and sources to identify suitable candidates. This may include sourcing from a directors' registry and open advertisements or the use of the services of independent professional recruitment firms to source for the right candidate for directorship or seek independent professional advice at the Company's expense.

6. DUTIES AND RESPONSIBILITIES

- (a) Considers and recommends to the Board, suitable candidates for appointment, election, and re-appointment or re-election as Directors and/or senior management by considering the candidate's character, skills, knowledge, experience, expertise, professionalism, integrity, competencies, time commitment and other qualities (including diversity in gender, age, cultural background and ethnicity and the fit and proper criteria as set out in **Schedule 7** of the Charter) that the candidate shall bring to the Board and to the respective Board Committees. In the case of the nomination of senior and/or independent non-executive directors, the Nomination Committee shall evaluate the candidate's ability to discharge such responsibilities/functions/duties as expected from them.

The Nomination Committee shall consider to utilise independent sources to identify suitability qualified candidate in making its recommendations for directorships, when appropriate. If the selection of candidates was based on recommendations made by existing Board members, Management or major shareholders, the Nomination Committee shall explain why these sources suffice and other sources were not used.

- (b) Recommends to the Board, directors to fill the seats on Board committees.
- (c) Reviews annually the required mix of skills, experience and other qualities, including core competencies, character, integrity and time commitment of the directors, chief executive and chief financial officer, as the case may be, which enable them to discharge their roles effectively.
- (d) Reviews and assesses annually the effectiveness and performance of (i) the Board as a whole; (ii) the committees of the Board including the term of office of the Audit Committee and whether the Audit Committee and each of its members have carried out their duties in accordance with their terms of reference; and (iii) the contribution of each individual director, including independent non-executive directors, as well as the chief executive and chief financial officer, as the case may be. The assessment process shall be pre-determined by the Board. All assessments and evaluations carried out by the Nomination Committee in the discharge of all its functions should be properly documented.
- (e) Recommends suitable orientation/induction, educational and training programmes to continuously train and equip the existing and new directors.
- (f) Develops a succession planning policy and ensures that the policy is kept under review.
- (g) Examines particular issues and make the appropriate recommendations to the Board.

- (h) Assists the Board to assess the independence of all the independent directors annually.
- (i) Reviews the structure, size and composition of the Board having regard to the mix of skills, independence and other qualities (including diversity in gender, tenure, age, cultural background and ethnicity) required to meet the needs of the Company and makes recommendations to the Board with regard to any adjustments that are deemed necessary.
- (j) Assists the Board to provide justifications for seeking shareholders' approval to retain any Independent Director who has served for a cumulative term limit of more than nine (9) years.
- (k) Produces a report/statement in accordance with Paragraph 15.08A(3) of the Listing Requirements of Bursa Securities for inclusion in the Company's annual report about its activities in the discharge of its duties for the financial year and other disclosure as required by MCGG 2021, Listing Requirements of Bursa Securities and any other applicable laws and regulations from time to time where appropriate.
- (l) Reviews the terms of reference to comply with the Listing Requirements of Bursa Securities and any other applicable laws and regulations from time to time where appropriate and recommend any change to the Board for approval.
- (m) Carrying out any other functions that may be mutually agreed upon by the Nomination Committee and the Board and/or such other functions determined by the laws, relevant regulatory authorities, the Company's by-laws or the Board.

C. REMUNERATION COMMITTEE

1. PURPOSE

The Remuneration Committee's primary function is to set policy framework and recommend to the Board an appropriate and competitive framework for the remuneration for the directors and senior management.

The Remuneration Committee shall aim to ensure that the remuneration is sufficient to attract and retain directors and senior management of the calibre required to run the Company successfully.

2. COMPOSITION

The members of the Remuneration Committee shall be appointed by the Board and shall consist of not less than three (3) members.

The Remuneration Committee shall comprise exclusively of non-executive directors with a majority of independent directors.

The appointment of a Remuneration Committee member terminates when the member ceases to be a director.

The term of office of the Remuneration Committee members shall be reviewed by the Board at least once every three (3) years.

3. CHAIR

The Chair of the Remuneration Committee shall be an Independent Non-Executive Director appointed by the Board from its members. The Chair of the Remuneration Committee is responsible for amongst others the efficient conduct of the meetings and the affairs of the Remuneration Committee. In the absence of the Chair of Remuneration Committee, members present shall elect one (1) of the members present who is an Independent Director to chair the meeting. The Chair of the Board shall not be a member of the Remuneration Committee.

4. MEETINGS AND SECRETARY

Meetings of the Remuneration Committee shall be held not less than once a year. Additional meetings shall be scheduled if considered necessary by the Chair of the Remuneration Committee.

A quorum shall be two (2) members present.

The members of the Remuneration Committee may participate in a meeting by means of video conference or conference telephone or any communication equipment designed to allow everybody to take part in the meeting. Such participation in a meeting shall constitute presence in person at such meeting.

All decisions shall be decided on a show of hands by a majority of votes.

A resolution in writing signed and approved by a majority of the Remuneration Committee members and who are sufficient to form a quorum shall be as valid and effective as if it had been passed at a meeting of the Remuneration Committee duly called and constituted.

The Company Secretary or such other person appointed by the Remuneration Committee from the Company Secretarial Department shall be the Secretary of the Remuneration Committee. The Secretary is responsible for sending out notices of meetings and preparing and keeping minutes of meetings.

Minutes of the Remuneration Committee meetings shall be extended to all the members of the Board. The Chair of the Remuneration Committee shall report on each meeting to the Board.

5. POWER

In carrying out its duties and responsibilities, the Remuneration Committee will in principle have full, free and unrestricted access to the Company's records, properties and personnel. The Remuneration Committee receives advice, when they consider it to be appropriate, on remuneration, tax, accounting and regulatory issues from external advisers and internally from the Human Resources, Compliance, Risk and Finance departments.

6. DUTIES AND RESPONSIBILITIES

- (a) Determining and recommending to the Board, the general and transparent remuneration policy framework for directors and senior management which the framework shall cover all aspects of remuneration including fees, salaries, allowances, bonuses and benefits-in-kind. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management.
- (b) Ensures the directors and senior management are fairly remunerated or rewarded for their contributions or roles and level of responsibilities.
- (c) Communicates with shareholders on remuneration of directors and senior management.

- (d) Oversees the implementation of any share grant scheme and/or any incentive awards/plans established or to be established by the Company from time to time for directors and senior management.
- (e) Reviews the terms of reference to comply with the Listing Requirements of Bursa Securities and any other applicable laws and regulations from time to time where appropriate and recommends any change to the Board for approval.
- (f) Carrying out any other functions that may be mutually agreed upon by the Remuneration Committee and the Board and/or such other functions determined by the laws, relevant regulatory authorities, the Company's by-laws or the Board.
- (g) Ensures detailed disclosure for the remuneration of directors and senior management as required by MCGG 2021, Listing Requirements of Bursa Securities and any other applicable laws and regulations from time to time where appropriate.

D. RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

1. PURPOSE

The Risk Management and Sustainability Committee assists the Board in fulfilling its oversight responsibilities in ensuring that there is a sound system, policies and/or framework for risk management and internal control, and effective governance and management of sustainability initiatives and practices of the Group. Any significant risk issues and sustainability matters evaluated by the Risk Management and Sustainability Committee and/or major changes proposed by the Committee towards strengthening the risk management and sustainability performance will be discussed at the Committee meeting, and the Audit Committee meeting (if applicable) and the Board meeting.

2. COMPOSITION

The members of the Risk Management and Sustainability Committee shall consist of not less than three (3) members from the Board which shall comprise a majority of independent directors.

The appointment of a Risk Management and Sustainability Committee member terminates when the member ceases to be a Director.

3. CHAIR

The Chair of the Risk Management and Sustainability Committee shall be appointed by the Board from its members. The Chair of the Risk Management and Sustainability Committee is responsible for amongst others the efficient conduct of the meetings and the affairs of the Risk Management and Sustainability Committee. In the absence of the Chair of Risk Management and Sustainability Committee, members present shall elect one (1) of the members present to chair the meeting. The Chair of the Board shall not be a member of the Risk Management and Sustainability Committee.

4. MEETINGS AND SECRETARY

Meetings of Risk Management and Sustainability Committee shall be held at least quarterly in a financial year. Additional meetings shall be scheduled if considered necessary by the Chair of the Risk Management and Sustainability Committee.

A quorum shall be two (2) members present.

The members of the Risk Management and Sustainability Committee may participate in a meeting by means of video conference or conference telephone or any communication equipment designed to allow everybody to take part in the meeting. Such participation in a meeting shall constitute presence in person at such meeting.

All decisions shall be decided on a show of hands by a majority of votes.

A resolution in writing signed and approved by a majority of the Risk Management and Sustainability Committee members and who are sufficient to form a quorum shall be as valid and effective as if it had been passed at a meeting of the Risk Management and Sustainability Committee duly called and constituted.

The Company Secretary or such other person appointed by the Risk Management and Sustainability Committee from the Company Secretarial Department shall be the Secretary of the Risk Management and Sustainability Committee. The Secretary is responsible for sending out notices of meetings and preparing and keeping minutes of meetings.

Minutes of the Risk Management and Sustainability Committee meetings shall be extended to all the members of the Board. The Chair of the Risk Management and Sustainability Committee shall report on each meeting to the Board.

5. POWER

In carrying out its duties and responsibilities, the Risk Management and Sustainability Committee:

- (a) will in principle have full, free and unrestricted access to the Company's records, properties and personnel;
- (b) is authorised to form sub-committee(s) or working group(s) as and when needed; and
- (c) may obtain Independent professional or other advice as necessary at the Company's expense.

6. DUTIES AND RESPONSIBILITIES

The principal roles and responsibilities of Risk Management and Sustainability Committee are as follows:

6.1 Enterprise Risk Management

- (a) develop a risk strategy and policy aligned with the Group's strategic business objectives;
- (b) communicate the Board's vision, strategy, policy, responsibilities and reporting lines to all employees across the Group;
- (c) identify and communicate to the Board critical risks, including EES risks (present or potential) that the Group faces, their changes and the management action plans to manage/mitigate the risks;
- (d) perform risk oversight, review and report to the Board the adequacy and effectiveness of the Group's risk management system, including assessing the Group's risk tolerance, the enterprise-wide risk governance framework, risk profiles and organisational performance;
- (e) review and approve risk performance measures for the Company and the Group (e.g. subsidiaries or business units);

- (f) provide guidance to the business units on their risk appetite and tolerance levels and other criteria. Define criteria that, when exceeded, trigger an obligation to report upwards to the Board;
- (g) ensure that infrastructure, resources and systems are in place to support the Enterprise Risk Management activities;
- (h) oversee and ensure the quality and integrity of the risk management process, including assessing key risks areas such as anti-bribery and anti-corruption risk, and internal controls of the Company and the Group;
- (i) ensure that risk management policies and procedures are adopted by the Group and provide practical guidance on risk assessment and reporting; and
- (j) review and oversee the preparation of the statement on risk management and internal control for the Company's annual report pursuant to paragraph 15.26(b) of the Listing Requirements of Bursa Securities and other disclosure as required by MCG 2021, Listing Requirements of Bursa Securities and any other applicable laws and regulations from time to time where appropriate.

6.2 Sustainability

- (a) recommend to the Board sustainability-related policies and/or framework for adoption;
- (b) oversee the implementation of the Group's sustainability policies and/or framework and processes including the identification, analysis, evaluation, management and reporting of the material sustainability matters related to the EES aspects of the Group and recommend to the Board for approval;
- (c) oversee the management and performance of the Group's sustainability strategies, priorities, and targets including reviewing steps to monitor, mitigate and/or prevent the EES risks, the performance against the target set on identified measurement indicators for each of the material/key sustainability matters and making the necessary recommendation of changes to the Board for approval;
- (d) review the effectiveness of the sustainability framework and ongoing EES risks as well as the opportunities and threat to the sustainability of the Group's activities, structure and operations arising from such EES risk, and any other related matters, and provide timely input to the Board as business condition changes, e.g. when new risks and opportunities arise;
- (e) communicate the Group's sustainability strategies, priorities and targets as well as performance against these targets to its internal and external stakeholders; and
- (f) review and oversee the preparation of the statement on sustainability in accordance with Practice Note 9 of Bursa Securities for the Company's annual report about its management of material EES risks and opportunities for the financial year and other disclosures as required by MCG 2021, Listing Requirements of Bursa Securities and any other applicable laws and regulations from time to time where appropriate.

6.3 Other Matters

- (a) review the terms of reference to comply with the Listing Requirements of Bursa Securities and any other applicable laws and regulations from time to time where appropriate and recommend any change to the Board for approval; and

- (b) carrying out any other functions that may be mutually agreed upon by the Risk Management and Sustainability Committee and the Board and/or such other functions determined by the laws, relevant regulatory authorities, the Company's by-laws or the Board.

E. SHARE GRANT SCHEME COMMITTEE

1. PURPOSE

The Share Grant Scheme ("SGS") Committee ("SGS Committee") is established to implement and administer the SGS pursuant to the By-Laws of the SGS ("By-Laws") of the Company in such manner as it shall, at its absolute discretion, think fit, in the best interest of the Company, provided that no member of the SGS Committee and no Eligible Persons shall participate in any deliberation or decision in respect of Grants granted or to be granted to himself or any Person Connected to such Eligible Persons.

The SGS is known as Advance Synergy Share Grant Scheme pursuant to By-Law 2.1 and the Effective Date of the SGS is 17 November 2022. For avoidance of doubts, unless otherwise defined, terms and expression used herein shall have the same meanings as those defined in the By-Laws.

2. COMPOSITION

The SGS Committee shall be appointed by the Board from the Remuneration Committee and any other Non-Executive Directors of the Company. The SGS Committee shall consist of not less than three (3) members. The members shall also include the Group Chair and/or Group Executive Deputy Chair and/or Group Managing Director.

The term of office of the SGS Committee members shall end upon expiry of the SGS Period or early termination of the SGS, whichever the earlier.

The appointment of SGS Committee member terminates when the member ceases to be a Director.

3. CHAIR

The Chair of the SGS Committee shall be appointed by the Board from its members. The Chair of the SGS Committee is responsible for amongst others the efficient conduct of the meetings and the affairs of the SGS Committee. In the absence of the Chair of SGS Committee, members present shall elect one (1) of the members present to chair the meeting.

4. MEETINGS AND SECRETARY

Meetings of the SGS Committee shall be held not less than once a year. Additional meetings shall be scheduled if considered necessary by the Chair of the SGS Committee.

A quorum shall be two (2) members present.

The members of the SGS Committee may participate in a meeting by means of video conference or conference telephone or any communication equipment designed to allow everybody to take part in the meeting. Such participation in a meeting shall constitute presence in person at such meeting.

All decisions shall be decided on a show of hands by a majority of votes.

A resolution in writing signed and approved by a majority of the SGS Committee members and who are sufficient to form a quorum shall be as valid and effective as if it had been passed at a meeting of the Committee duly called and constituted.

Members of the SGS Committee must abstain from deliberation or discussion and voting of their own allocation and those of person(s) connected to them and any matters where their participation may cause any conflict of interest.

The Company Secretary or such other person appointed by the SGS Committee from the Company Secretarial Department shall be the Secretary of the SGS Committee. The Secretary is responsible for sending out notices of meetings and preparing and keeping minutes of meetings.

Minutes of the SGS Committee meetings shall be extended to all the members of the Board. The Chair of the SGS Committee shall report on each meeting to the Board.

5. POWER

The SGS Committee is authorised by the Board and at the cost of the Company to perform the following:

- (a) To carry out its duties and responsibilities with such powers and limitations as are conferred upon it by the Board at any time and from time to time pursuant to its terms of reference and/or the By-Laws;
- (b) To have the resources required to perform its duties;
- (c) To have full and unrestricted access to any information pertaining to the Group's records and personnel including seeking any information it may require from Human Resource and Finance Departments, any director or member of management; and
- (d) To obtain independent professional or other advice as necessary.

6. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the SGS Committee are as set out in the By-Laws as approved by the shareholders at the Extraordinary General Meeting of the Company held on 29 July 2022 and shall include any subsequent any modification, variation and/or amendment at any time and from time to time as approved by the Board and/or shareholders and/or any conditions/requirements as may be imposed by Bursa Securities from time to time which include amongst others, the following:

- (a) To exercise all the powers and undertake the duties and responsibilities as stated in the By-Laws;
- (b) To recommend for the Board's approval on any modification, variation and/or amendment to the By-Laws including the eligibility criteria, Performance Targets and/or Service Objectives, Vesting Conditions, Vesting Period, SGS Period, Performance Period and/or such other conditions or criteria;
- (c) To assess eligibility of the Eligible Persons following the prescribed criteria and/or amended or updated criteria as may be determined by the Board at any time and from time to time pursuant to the By-Laws;
- (d) To determine the aggregate number of Grant or Shares that may be granted to the Grantee at any time and from time to time pursuant to the By-Laws;
- (e) To prepare relevant disclosure in the Company's annual report as required by the Listing Requirements of Bursa Securities and any other applicable laws and regulations from time to time where appropriate;
- (f) To review on a quarterly basis a summary of the total number of shares listed pursuant to the SGS at end of each quarter together with a detailed computation of listing fees payable for onward submission to Bursa Securities;

- (g) To report its activities, including how it has discharged its responsibilities, to the Board at the interval to be determined by the Board from time to time;
- (h) To review the TOR to comply with the Listing Requirements of Bursa Securities and any other applicable laws and regulations from time to time where appropriate and recommend any change to the Board for approval; and
- (i) To carry out any other functions that may be mutually agreed upon by the SGS Committee and the Board and/or such other functions determined by the laws, relevant regulatory authorities, the Company's by-laws or the Board.

F. WHISTLEBLOWING COMMITTEE

1. PURPOSE

The principal objective of the Whistleblowing Committee (hereinafter referred to as "WBC") is to assist the Board in protecting the interests of the Group and all Business Associates^(Note 1) by reviewing and investigating any misconduct and/or corruption arising from complaints received and make appropriate recommendations to the Board or take the necessary actions where applicable.

2. COMPOSITION

The Board shall elect the WBC members from amongst themselves and shall consist of not less than three (3) members, either from Audit Committee and/or Risk Management and Sustainability Committee including the Managing Director of the Group. In the event of any vacancy in the WBC resulting in the number of members of the WBC falling below three (3), the vacancy shall be filled as soon as possible, but shall not be later than three (3) months of that event.

3. CHAIR

The Chair of the WBC shall be elected from amongst the WBC members approved by the Board and shall preside over the WBC meetings. In the absence of the Chair of WBC, members present shall elect one (1) of the members present to chair the meeting.

4. MEETINGS AND SECRETARY

The Chair may call for a meeting as and when necessary to discuss any complaints, reports or recommendations received.

A quorum shall be three (3) members present.

The members of the WBC may participate in a meeting by means of video conference or conference telephone or any communication equipment designed to allow everybody to take part in the meeting. Such participation in a meeting shall constitute presence in person at such meeting.

All decisions shall be decided unanimously.

A resolution in writing signed and approved by all WBC members and who are sufficient to form a quorum shall be as valid and effective as if it had been passed at a meeting of the WBC duly called and constituted.

If the complaint/report/recommendation involves and/or is related to a WBC member (hereinafter referred to as the "Conflicting Member"), the Secretary will notify the WBC, and the Conflicting Member shall abstain himself/herself from deliberation and voting in respect of the complaint/report/recommendation he/she is involved. However, he/she is counted in the quorum for a WBC meeting although he/she is not entitled to participate in the deliberation and vote.

Other Board members and the Management may attend meetings to discuss the complaint/report/recommendations as necessary upon the invitation by the WBC.

Save and except for decisions of the WBC which are subject to recommendation from relevant parties, the decisions of the WBC shall be final and binding and further complaint or appeal by the whistleblower or the person(s) affected by the complaint/report/recommendation will not be entertained.

The Chair shall nominate any person to act as the Secretary of the WBC (hereinafter referred to as "Secretary"). The Secretary shall, on the requisition of the WBC members, send a notice of WBC meeting in writing to all WBC members within a reasonable period, except in the case of an emergency.

Minutes of each meeting shall be distributed to each WBC member and also to the other Board members. The minutes of the WBC meeting shall be signed by the Chair of the WBC meeting at which the proceedings were held or by the Chair of the next WBC meeting. Draft minutes shall be circulated to the relevant persons for comments within four (4) weeks after the meeting.

5. POWER

- (a) To investigate any matter within its terms of reference, including possible Corruption, Bribery, fraud, illegal acts or suspected violation of the Anti-Bribery and Anti-Corruption Policy and/or any other Corruption and Bribery offences involving Employees, Personnel, Business Associates or Board members.
- (b) In discharging its responsibilities, the WBC shall have full and unrestricted access to the management, books, records and documents of the Group, which the WBC reasonably believes or has reason to believe to be relevant to the complaint/report/recommendation, and shall be entitled to examine any person(s) as it may deem appropriate and to receive such information as it required from them. All employees shall be directed to co-operate as requested by the WBC.
- (c) The WBC shall also be entitled to seek assistance from appropriate channels, resources, expertise, external legal or professional advice and any departments or business units within the Group to assist in any investigation and based on the findings, determine the appropriate action to be taken.
- (d) Whenever the WBC reasonably deems fit, the WBC may refer the employee(s) who is/are involved in the following to the Group Human Resource or the relevant business unit(s) of the Group (as the case may be), for further actions:
 - (i) Employees who are involved or discovered to be involved in the improper conduct or detrimental action in a particular complaint/report/ recommendation; or
 - (ii) Employees who lied or are not telling the truth or uncooperative in the course of the investigation.
- (e) The WBC is delegated with decision-making powers in dealing with any complaint/report/recommendation it received including to recommend to take appropriate action to address the misconduct or to implement procedures to take preventive measures to minimise or prevent the occurrence of the misconduct in the future.

6. DUTIES AND RESPONSIBILITIES

- (a) To perform the following in accordance with the Whistleblowing Procedures:

- (i) Receive, process, conduct an initial enquiry on any complaint/ report/ recommendation received and determine the genuineness of the concern/ allegation submitted to it;
 - (ii) Dismiss any complaint/report/recommendation if the same shall have no basis or merits or is not a matter to be dealt with under the Group Whistleblowing Policy and Procedures;
 - (iii) Investigate each merited claim independently using appropriate channels, resources and expertise and shall nominate an investigation team to investigate any such complaint/report/recommendation, if deemed necessary;
 - (iv) Review the findings of the investigation in respect of any complaint/report/recommendation and determine the appropriate actions to be taken as well as to make recommendation to implement procedures or take preventive measures, where necessary, to minimise or prevent the occurrence of the misconduct in the future; and
 - (v) Respond and communicate with the complainant and/or whistleblower on the outcome or decision of the WBC on the complaint/report/recommendation and/or with the Board on the preventive measures to be taken in the future.
- (b) The WBC shall report to the Board on its activities, based on these terms of reference.
 - (c) The WBC Chair shall orally report on the proceedings of each WBC meeting to the Board at the next Board meeting following the WBC meeting. The WBC 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 required.
 - (d) To ensure all matters in relation to any complaint/report/recommendation discussed during the WBC meetings and all information that comes into the possession of the WBC during the course of its review, enquiry, investigation and determination are to be kept strictly confidential by the WBC members and the Secretary of the WBC.
 - (e) The WBC shall recommend any changes to its terms of reference in such manner as the WBC deems appropriate to the Board for approval. The terms of reference shall be assessed, reviewed and updated as and when necessary.
 - (f) To carry out any other functions that may be mutually agreed upon by the WBC and the Board and/or such other functions determined by the laws, relevant regulatory authorities, the Company's by-laws or the Board.

Note 1:

"Business Associates" means an external party with whom the organisation has, or plans to establish, some form of the business relationship. This primarily includes Counter parties and Business Partners i.e. clients, customers, joint ventures, joint venture partners, consortium partners, outsourcing providers, contractors, consultants, subcontractors, suppliers, vendors, advisers, agents, distributors, representatives, intermediaries and investors.

Group Enterprise Risk Management and Sustainability Framework (as referred to in Section 7.1.3 and Section 7.1.6(h) of this Charter)



ADVANCE SYNERGY BERHAD
(Registration No. 192001000024 (1225-D))

**Group Enterprise Risk Management and Sustainability
Framework**

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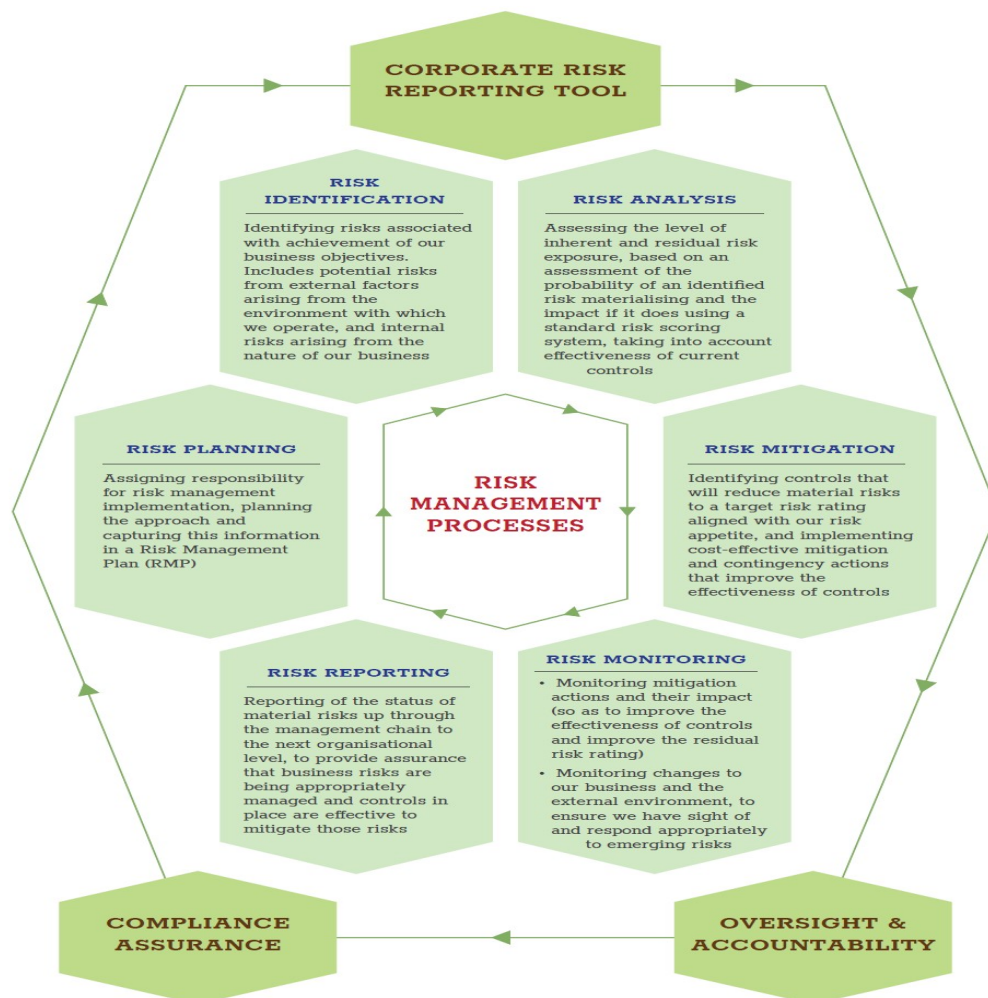


A. INTRODUCTION

Advance Synergy Berhad Group of Companies (the “Group”) recognises that effective Enterprise Risk Management as well as governance and management of sustainability initiatives and practices are vital as the Group strives to achieve long term sustainable growth in business and shareholders’ value in today’s challenging financial and economic environment. The Group will continue to place emphasis on the strengthening of the Group’s systems, policies, frameworks, infrastructures and capabilities not only for regulatory compliance, but also with a view to improve operational processes and financial performance, and to optimise capital efficiency.

B. GROUP ENTERPRISE RISK MANAGEMENT AND SUSTAINABILITY FRAMEWORK

The Group believes that there must be a clear role, accountability and responsibility for the risk management process. The Group Enterprise Risk Management and Sustainability Framework within the Advance Synergy Berhad Group of Companies is established to provide a controlled environment for risk management activities. The risk management framework covers 6 broad processes with corporate risk reporting tool, oversight and accountability and compliance assurance as set out below:





Such Framework covers the Group's governance and management of sustainability initiatives and practices which may include setting the Group's sustainability strategies, priorities and targets. In connection therewith, the following 3 pillars were established to enhance the monitoring and reporting of our sustainability performance within the context of EES (Economic, Environmental and Social) and provide detailed disclosure of the management of our key sustainability matters:

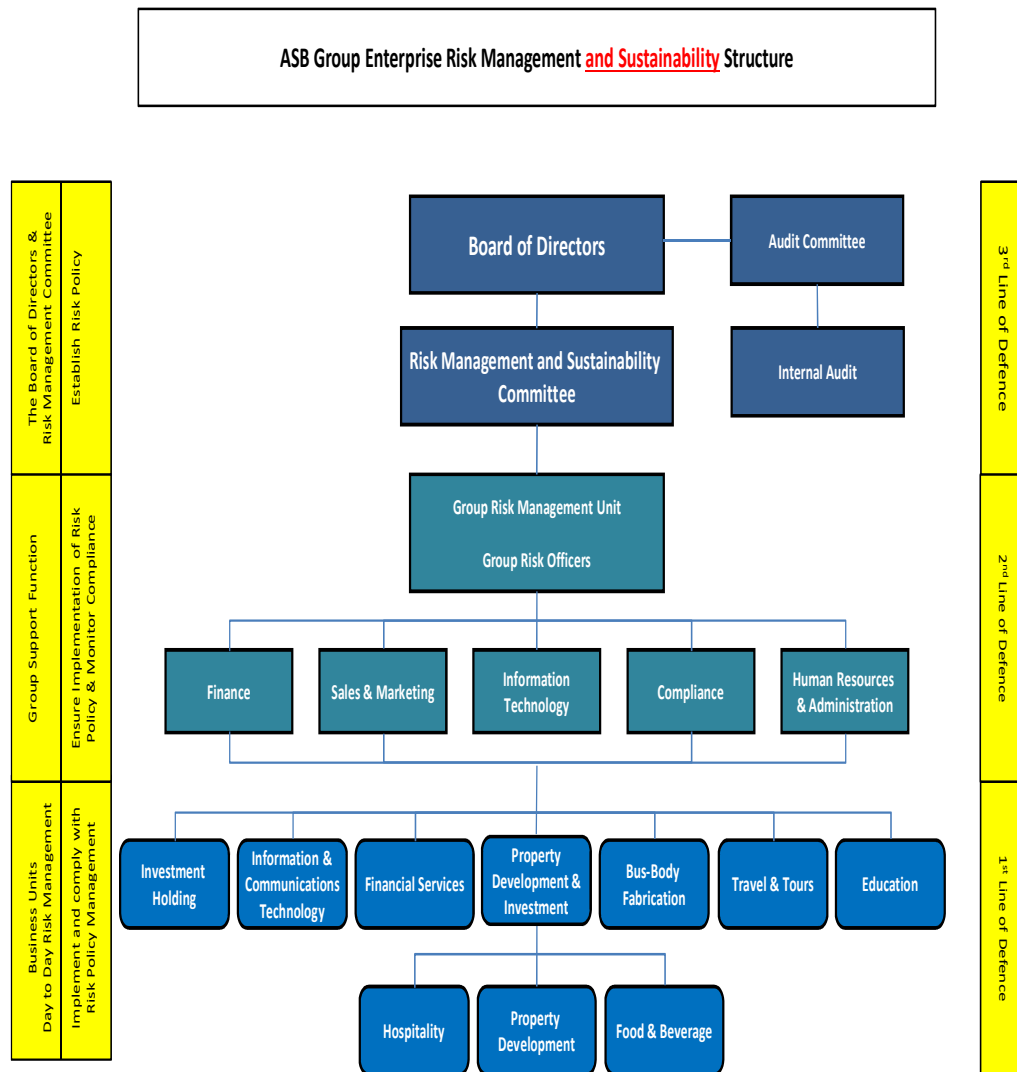




C. GOVERNANCE STRUCTURE

1. Enterprise Risk Management and Sustainability

In line with the Group's corporate structure and for the purpose of Enterprise Risk Management and Sustainability, all subsidiary companies under the Group are divided into 9 sub-Groups based on the nature of the business and the industry that they represent as follows:





2. Board of Directors

Advance Synergy Berhad Board of Directors (the “Board”) is collectively responsible for the long-term success of a company and the delivery of sustainable value to its stakeholders in accordance with Principle A (Board Leadership and Effectiveness) Part I (Board Responsibilities) of the Malaysian Code on Corporate Governance issued in 2021 (“MCCG 2021”). The principal roles and responsibilities to enable the Board in meeting the goals and objectives of the Group include amongst others to identify principal risks, to ensure the implementation of appropriate internal controls systems and mitigation measures to manage these risks as well as the governance of sustainability in the Group by taking on supervisory and advisory roles and providing strategic direction in sustainability decision making process. The Board, through the Risk Management and Sustainability Committee (“RMSC”), maintains the overall responsibility for risk oversight within the Group and discharges its duties and responsibilities in realising the sustainability approach. The Board shall approve the Enterprise Risk Management strategies but will delegate authority for day-to-day decisions to the RMSC. Strategic management of material sustainability matters shall be driven by senior management.

The principal roles and responsibilities of the Board are set out under item 7.1.3 and item 7.1.6 of the Board Charter of ASB.

3. Risk Management and Sustainability Committee

The RMSC assists the Board in fulfilling its oversight responsibilities in ensuring that there is a sound system, policies and/or framework for risk management and internal controls, and effective governance and management of sustainability initiatives and practices of the Group. Any significant risk issues and sustainability matters evaluated by the RMSC and/or major changes proposed by RMSC towards strengthening the risk management and sustainability performance will be discussed at the RMSC meeting and also the Audit Committee (if applicable) and the Board meeting. RMSC meets quarterly.

The principal roles and responsibilities of RMSC are set out in the terms of reference of the RMSC under Schedule 1 of the Board Charter of ASB.

4. Group Risk Management and Sustainability Unit

Group Risk Management and Sustainability Unit (“GRMSU”) assists the RMSC to oversee the Enterprise Risk Management and Sustainability process and to maintain sound Enterprise Risk Management and Sustainability policies for the Group. GRMSU supports and provides necessary input while continuously evaluating and enhancing the effectiveness of the Group’s risk management and sustainability efforts to align with the overall goals/objectives of the Group. Any significant risk issues and sustainability matters evaluated and/or any major changes proposed by GRMSU towards strengthening the risk management and sustainability performance will be discussed at the GRMSU meetings and also at the RMSC meetings to ensure the Group’s strategic objectives are met. GRMSU holds quarterly meetings.

The principle roles and responsibilities of GRMSU are as follows:

- a. develop, communicate, and maintain an integrated risk management and sustainability strategy aligned with the Group’s strategic business objectives. This includes collaborating with relevant business units to identify and assess critical risks, including EES risks, proposing management action plans, and communicating the Group’s integrated sustainability strategies, priorities, and targets, as well as performance against these targets, to the business units.



- b. collaborate in the adoption, recommendation, and implementation of integrated risk management and sustainability policies and procedures for the Group. This includes providing practical guidance on risk and sustainability assessment and reporting, supporting the RMSC in recommending integrated sustainability-related policies and frameworks, and assisting in the oversight of the Group's integrated sustainability policies and framework. This involves identifying, analyzing, evaluating, managing, and reporting on material sustainability matters related to EES aspects of the Group.
- c. support the RMSC in monitoring and reporting to the Board on the adequacy and effectiveness of the Group's risk management and sustainability systems, including assessing the effectiveness of the integrated sustainability framework and the management of ongoing EES risks. Provide input to the RMSC as business conditions change, e.g., new risks and opportunities arise.
- d. collaborate with the RMSC to provide guidance to business units on their combined risk and sustainability appetite and tolerance levels. Define criteria that trigger an obligation to report to the Board when exceeded.
- e. ensure the necessary infrastructure, resources, and systems are in place to support integrated Enterprise Risk Management and Sustainability activities.
- f. work to maintain the quality and integrity of the risk management process, internal controls, and sustainability framework, meeting the Group's standards. This includes assessing key risk areas, such as anti-bribery and anti-corruption risks.
- g. collaborate with the RMSC to prepare the statement on risk management and internal control for the Company's annual report pursuant to paragraph 15.26(b) of the Listing Requirements of Bursa Securities and other disclosure as required by MCCG 2021, Listing Requirements of Bursa Securities and any other applicable laws and regulations from time to time where appropriate.
- h. collaborate with the RMSC to prepare the sustainability statement in accordance with Practice Note 9 of Bursa Securities for the Company's annual report about its management of material EES risks and opportunities for the financial year and other disclosures as required by MCCG 2021, Listing Requirements of Bursa Securities and any other applicable laws and regulations from time to time where appropriate.

4.1 Group Chief Risk Officer and Group Risk Officers

GRMSU is supported by 6 members, consisting of a Group Chief Risk Officer and 5 Group Risk Officers who oversee the process and procedures in integrating and aligning the responsibilities of enterprise risk management with sustainability efforts in enhancing effectiveness of the Enterprise Risk and Sustainability Management System. Group Risk Officers can facilitate a more holistic approach to risk management and sustainability within the Group, fostering better risk-aware decision-making while promoting the Group's commitment to sustainable business practices.



The roles and functions of Group Chief Risk Officer with the support of Group Risk Officers are as follows:

- a. ensure that the risk strategy and sustainability-related policies are aligned and complementary. This may involve integrating risk and sustainability considerations into a unified corporate policy framework.
- b. develop a holistic communication strategy that conveys both risk management and sustainability messages to all employees. Highlight the interconnectedness of risk and sustainability and how they relate to the Group's objectives.
- c. collaborate with business units to identify and assess risks comprehensively, including EES risks. Acting as central contact and guide for enterprise risk management and sustainability matters within the Group.
- d. integrate monitoring and reporting activities to encompass both risk and sustainability metrics. Report on the progress of the implementation of Enterprise Risk Management and Sustainability initiatives, performance against the priorities and targets set and their impact on overall Group's risk profile and strategic business objectives.
- e. ensure that the Group's risk appetite and tolerance levels consider sustainability factors and are integrated into the overall risk management framework.
- f. coordinate the allocation of resources and technology to support both enterprise risk management and sustainability initiatives.
- g. maintain the quality and integrity of the risk management process, extending this focus to include sustainability risk areas, such as anti-bribery, environmental compliance, and ethical conduct.
- h. ensure that risk management policies and procedures are adopted across the Group and provide guidance/training on the incorporation of sustainability considerations into these policies.
- i. integrate the reporting on risk management and sustainability for quarterly reporting to RMSC and disclosure in the annual report, ensuring compliance with regulatory requirements while demonstrating how sustainability efforts align with risk management practices.
- j. continuously assess and provide input to the RMSC regarding evolving sustainability risks and opportunities. Highlight how these factors may impact the Group's risk profile.
- k. ensure that stakeholders are aware of the sustainability goals and their implications for risk management. This includes employees, investors, customers, and the broader community.

5. Risk Management and Sustainability Unit

The Risk Management and Sustainability Unit ("RMSU") is established at the business unit level to ensure that their day-to-day business activities are carried out within the established risk policies, procedures and limits as well as the established sustainability policies and/or framework, priorities and targets. The Head of the business unit is required to lead the RMSU.



The definitions of business units are as follows:

- The individual corporate departments for centralised functions / processes (finance, human resources, company secretarial, etc) of the Group, under the responsibility of the Board;
- The individual business units or operation, under the responsibilities of the Head of the business unit; or
- The various business ventures, under the responsibilities of their respective Heads.

The business units may delegate the reporting function to their respective RMSU but they shall retain the overall responsibility. Any significant Enterprise Risk Management and Sustainability matters evaluated by the RMSU and / or major changes proposed by this unit shall be discussed at management meetings and also the GRMSU meetings. RMSU meets monthly.

The principle roles and responsibilities of RMSU at business unit's level are as follows:

- a. identify and communicate to the GRMSU the critical risks, including EES risks (present or potential) the business unit faces. Report changes in risk profiles and propose management action plans to address these risks.
- b. communicate the strategies, policies, responsibilities, targets and reporting lines for both enterprise risk management and sustainability in the business unit.
- c. implement the enterprise risk management and sustainability initiatives, monitor, measure and report the performance against the priorities and targets set and their impact on overall risk profile and strategic business objectives of the business unit.
- d. comply with policies and procedures adopted across the Group and relevant regulatory requirements for Enterprise Risk Management and Sustainability.

5.1 Risk Officer

RMSU at business unit level is supported by member employees from Finance, Operations, Sales and Marketing, Information System, Human Resources, etc and is designated as Risk Officer. The RMSU is usually headed by the Head of business unit. However, in the event that the business activities of the business unit are small with an annual turnover of not exceeding RM15 million or the total numbers of employees do not exceed twenty (20); the business unit is exempted from having to form a full RMSU team. Hence, the Head of business unit is to act as a Risk Officer for overseeing Enterprise Risk Management and Sustainability of the business unit.

The Risk Officer plays a central role in integrating sustainability considerations and addressing EES risks throughout the business unit's risk management processes. It emphasises collaboration, transparency, and proactive communication to enhance overall risk resilience and sustainability practices.



The roles and functions of Risk Officer are as follows:

- a. serve as central contact and guide for Enterprise Risk Management and Sustainability and ensuring clarity and consistency across the business unit.
- b. coordinate the creation of standardised risk registers, including specific ones for EES risks, subject to RMSU approval.
- c. regularly coordinate with stakeholders to identify and address risks and sustainability matters promptly within the business unit.
- d. oversee the effective execution of risk management and sustainability initiatives, incorporating continuous feedback and improvement mechanisms.
- e. collaborate with RMSU and stakeholders to develop and update the Enterprise Risk Management and Sustainability system, aligning local initiatives with overarching strategies.
- f. document the risk management and sustainability initiatives at business unit level, ensuring clear condensed information for communication.
- g. aggregate the business unit's risk position, including EES risks, and provide monthly reports to the RMSU which highlight emerging issues promptly for organisational oversight and strategic decision-making.
- h. conduct training sessions on Enterprise Risk Management and Sustainability for employees within the business unit to foster a risk-aware culture and emphasising the importance of addressing sustainability matters.

6. Day-To-Day Management of Risks and Sustainability Initiatives

The day-to-day management of risks and sustainability initiatives resides with the respective business unit.

The business unit's management is accountable for the comprehensiveness of the risks identified, their assessment, as well as their bottom-up reporting. Actively managing risks, including sustainability considerations, is a primary duty of any manager. Managers are expected to assist risk owner in identifying, measuring, controlling, monitoring and reporting risks and sustainability-related aspects, holding the right and obligation to contribute to the Enterprise Risk Management and Sustainability.

The principle roles and responsibilities of the business unit's management are as follows:

- a. manage business unit's risk and sustainability profile.
- b. report risk and sustainability exposures to the respective Risk Officer.
- c. develop and implement action plans to manage both risks and sustainability initiatives.
- d. report the status of action plans, covering risks and sustainability efforts, to the Risk Officer.
- e. ensure critical risk, including those related to sustainability, are considered in the overall management plan.



7. Internal Audit

The Internal Audit is an independent, unbiased function, which contributes by means of auditing and conducting proper assessment of the adequacy of operational controls and procedures to manage risk and sustainability matters including evaluating the situation, vulnerability, value enhancement and business process improvement.

The functions and responsibilities of Internal Audit are as follows:

- a. to validate the results of the Enterprise Risk Management and Sustainability processes.
- b. to examine the Enterprise Risk Management and Sustainability systems for the completeness, comprehensiveness and reliability.
- c. to verify the Enterprise Risk Management and Sustainability system, policies and procedures in the Company and the Group for adequacy, effectiveness and compliance with applicable policies, laws, internal and/or external regulatory guidelines.
- d. to provide assurance review to strengthen the creditability of the sustainability statement prepared in accordance with Practice Note 9 of Bursa Securities for inclusion to the Company's annual report.

D. RISK ASSESSMENT PROCESS

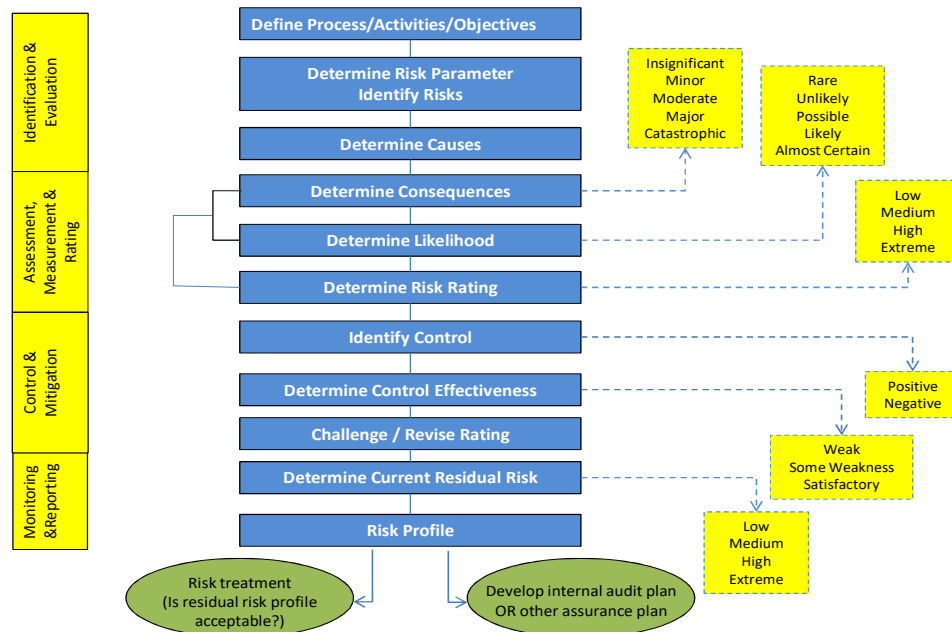
The Group has established, within its Enterprise Risk Management and Sustainability framework, a structured approach, which balances risks and returns, and integrates Risk Assessment Processes to achieve a more effective Enterprise Management Risk and Sustainability.

The steps in Risk Assessment Processes are categorised into 4 broad processes, namely;

- Risk Identification and Evaluation
- Risk Assessment, Measurement and Rating
- Risk Control and Mitigation
- Risk Monitoring and Reporting



Risk Assessment Process



1. Risk Identification and Evaluation

The first step in the Risk Assessment Process is to identify and evaluate the potential risks. This is conducted by the respective risk owners and reviewed by the respective Head of RMSUs.

2. Risk Assessment, Measurement and Rating

Risk assessment is a major step in the Enterprise Risk Management process. Risks are analysed, considering its likelihood and impact and determining how they should be managed. Risks are assessed on an inherent and a residual basis. Risk assessment involves the measuring of two quantities of the risk:

- The CONSEQUENCE of the risk or the magnitude of the potential loss; and
- The LIKELIHOOD of the risk or the probability of the loss that will occur.

Risk assessment may be the most important step in the risk management process that involves in assessing the risk as to their potential severity of loss and to the likelihood of its occurrence. Unfortunately, the step may also be the most difficult and prone to error. However, once risks have been identified and assessed, the steps to properly deal with them are much more programmatically.

Example

The difficulty in risk assessment is: A risk with a large potential loss and a low likelihood of occurring must be treated differently than the one with a low potential loss but a high likelihood of occurring. In theory both are of nearly equal priority and importance in treatment, but in practice, it can be very difficult to manage when faced with the scarcity of resources and time.



The methodology used to carry out Risk Assessment, Measurement and Rating involves 3 steps.

STEP 1 – Consequences Rating

All risks must be assessed individually of its CONSEQUENCES if it arises. The assessment takes into consideration of the potential loss by measuring against the financial and/or non-financial impact that the risk may have caused to the business. Therefore, the consequences of an identical/similar risk may differ from one business unit to another depending on the parameters defined on its financial and/or non-financial impact and it may also vary from period to period under review. 5 categories of CONSEQUENCES ratings were assigned; Insignificant, Minor, Moderate, Major and Catastrophic.

IMPACT	DESCRIPTION	CONSEQUENCES (expressed in %)
CATASTROPHIC	Disaster with potential to COLLAPSE.	75% and above
MAJOR	A critical event which requires EXTRA-ORDINARY management effort.	Above 50% & up to 75%
MODERATE	A serious event which requires ADDITIONAL management effort.	Above 25% & up to 50%
MINOR	An adverse event which can be absorbed with SOME management effort.	Above 10% & up to 25%
INSIGNIFICANT	Impact can be READILY ABSORBED through normal business activity.	Up to 10%

STEP 2 – Likelihood Rating

All risks must also be assessed individually of its LIKELIHOOD of occurrence. 5 categories of LIKELIHOOD ratings were assigned; Rare, Unlikely, Possible, Likely and Almost Certain.

LIKELIHOOD	DESCRIPTION	CHANCES OF OCCURENCE (expressed in %)
ALMOST CERTAIN	The event is EXPECTED to occur in most circumstances.	80% and above
LIKELY	The event will PROBABLY occur in most circumstances.	Above 50% and up to 80%
POSSIBLE	The event MIGHT occur at some time.	Above 25% & up to 50%
UNLIKELY	The event COULD occur at some time.	Above 5% and up to 25%
RARE	The event MAY occur only in exceptional circumstances.	Up to 5%



STEP 3 – Business Risk Rating

After completing Step 1 and 2, the risk must undergo quantitative risk analysis. The risk must be individually ranked by referring to the Business Risk Matrix. 4 categories of BUSINESS RISK rankings were assigned: Extreme, High, Medium and Low.

		Business Risk Matrix				
		MAGNITUDE OF IMPACT				
		Insignificant	Minor	Moderate	Major	Catastrophic
LIKELIHOOD OF OCCURRENCE	Extremely High	Medium	High	High	Extreme	Extreme
	High	Medium	Medium	High	High	Extreme
	Medium	Low	Medium	High	High	High
	Low	Low	Low	Medium	Medium	High
	Extremely Low	Low	Low	Medium	Medium	High

3. Risk Control and Mitigation

Controls take in the form of policies and procedures established and implemented to help ensure the risk responses are effectively carried out.

All risks must undergo further analysis on the effectiveness of the controls that are in place, and/or any other additional controls that may be introduced to manage the risks. The EFFECTIVENESS of the control and risk mitigation is to be ranked and rated as: Weak, Some Weakness or Satisfactory.

It is important to note that certain risks are typically inherently high, and may not be capable of being managed to a relatively low level. It is important, nonetheless, that such risks are well understood and monitored. The Group's exposure to such risks then becomes calculated and consistent with a clearly articulated risk appetite.

4. Risk Monitoring and Reporting

The entirety of Enterprise Risk Management is monitored and modifications are made when the need arises. Monitoring is accomplished through ongoing management activities, separate evaluation, or both.

The Head of the RMSU is responsible for the status of all risks which are to be reviewed by the Group. Risks review at business unit level or at the Group level formed part of both technical and programmatic reviews.



E. Risk Profile

All risks that are identified during the Risk Assessment Process are to be recorded in the risk registers with its appropriate rating assigned to them. The collection of all risk registers are to be further compiled into a risk profile for the purpose of RMSU's review and making recommendation towards the Risk Treatment Options.

F. Risk Option Treatment

Once risks are identified, assessed and the controls introduced to manage the risks are established, the risks need to be aligned in accordance with the Group's risk tolerances and risk appetite by using the following four treatment measures:

- To terminate
- To reduce
- To accept
- To pass-on

1. Risk Termination

This measure includes not performing the activity that carries the risk. An example would be not buying a property or business in order not to take on the liability that comes with it. Termination may seem the answer to all risks, but terminating risks also means losing out on the potential gain that one would otherwise accepted the risk. Not entering a business to avoid the risk of loss also avoids the possibility of earning the profits – Opportunity Cost.

2. Risk Reduction

It involves the measures taken to reduce the severity of the loss. Examples include sprinklers designed to put out a fire to reduce the risk of loss by fire. This method may cause a greater loss by the water damage and therefore may not be suitable to reduce the risk. Halon fire suppression systems may mitigate that risk, but the cost may be prohibitive as a strategy.

3. Risk Acceptance

It involves with accepting the loss when it occurs. Risks that are not terminated reduced or pass-on is considered to be accepted by the Group.

4. Risk Pass-on

This measure involves causing another party to accept the risk. Insurance is one type of risk transfer.



G. RESPONSIBILITY FOR ENTERPRISE RISK MANAGEMENT AND SUSTAINABILITY

Everyone within the Group has some responsibility toward Enterprise Risk Management and Sustainability. The Board of Directors provides important oversight to Enterprise Risk Management and Sustainability, and is aware of and concurs with the Group's risk appetite. While managers are accountable for Enterprise Risk Management and Sustainability at their respective level, responsibility for good risk management and sustainability philosophy; promoting compliance with its risk appetite; and managing risks and sustainability matters within their spheres of responsibility consistent with risk and sustainability appetite and tolerance now rests with every staff member of the Group.

Enterprise Risk Management and Sustainability is not only strictly a serial process, where one component affects the next but it is also a multidirectional, interactive process in which almost any component can and does influence another. This includes going about doing the jobs in a careful and conscientious manner that contributes to the high ethics and culture within the Group.

H. LIMITATION

While Enterprise Risk Management and Sustainability provides important benefits, limitation exists. In addition to factors discussed above, limitations result from the realities that human judgement in decision making can be faulty, decisions on responding to risks and establishing controls also need to consider the relative costs and benefits; breakdown can occur because of human failures such as simple errors or mistakes; and control can be circumvented by collusion by two or more people.

I. CONCLUSION

Information and communication related to Enterprise Risk Management and Sustainability is identified, captured and communicated in a form and in a timeframe that enable people to carry out their responsibilities. Effective communication also occurs in a broader sense, flowing down, across, and up the business entity.

With this foundation of mutual understanding, all parties will be able to speak a common language and communicate more effectively. Business executives will position their company's Enterprise Risk Management and Sustainability process against a standard, strengthen the process and move their enterprise toward the established goals. With all parties utilising a common Enterprise Risk Management and Sustainability Framework, these benefits will be realised.

Succession Planning Programme (as referred to in Section 7.1.4 of this Charter)

As stipulated in Practice 5.5 of the MCCG 2021, the Board shall ensure that all candidates appointed to the Board and senior management position are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

A diverse Board can offer greater depth and breadth compared to non-diverse boards. As such, director candidates shall be sourced from a diverse pool.

Diversity at senior management level will also provide constructive debates, which will lead to better decisions. It enables the discussion of the same ideas in differing ways and equips the Company to face challenges in an ever-changing environment.

In pursuing its gender diversity agenda, the Board shall take steps to ensure that women candidates are sought in its recruitment exercise for the Board and senior management positions.

- a. As part of their role in directing the management of the business and affairs of the Group, the Directors will be responsible for ensuring that the Group's management has the capabilities to cause the Group to operate in an efficient and businesslike manner. The Group Chair, Group Executive Deputy Chair, Group Managing Director, and/or the Board and Management of the Company and subsidiary companies shall review the qualifications of persons proposed as additional members of the Group's management or replacements for members of the Group's management.
- b. If there is a vacancy in a Chief Executive Officer position of a subsidiary, the Board will receive and review the recommendation of the Group Chair, Group Executive Deputy Chair and/or Group Managing Director for filling that vacancy.
- c. If it is anticipated that the Group Chair, Group Executive Deputy Chair and/or Group Managing Director will leave the Company at a specified future date, the Board will ensure that the process of selecting a successor Group Chair, Group Executive Deputy Chair and/or Group Managing Director will take place in a manner that is likely to create a smooth transition.
- d. If there is an unanticipated departure of the Group Chair, Group Executive Deputy Chair and/or Group Managing Director, the Board will oversee the (a) selection of a temporary Group Chair, Group Executive Deputy Chair and/or Group Managing Director to serve until a permanent replacement is selected, and (b) selection of the permanent replacement for the Group Chair, Group Executive Deputy Chair and/or Group Managing Director.
- e. The Board has delegated the screening process involved for the abovementioned appointments to the Nomination Committee.

Stakeholder Communications Policy (as referred to in Section 7.1.5 of this Charter)**1. Background**

The Board aims to ensure that the Company's stakeholders are informed of all major developments affecting the Company's state of affairs.

Information is communicated to stakeholders through the following means:

1.1 Full financial report

Subject to the compliance with the Listing Requirements of Bursa Securities and any other relevant authorities, if any, the Company may issue annual report in printed form and/or through electronic mail or publication on the website or other electronic platform(s) of the Company or in any other format whatsoever or in such other form of electronic media) (whether available now or in the future) through which images, data, information or other material may be viewed whether electronically or digitally or howsoever or in such other form of electronic media.

1.2 Disclosures made to Bursa Securities

The Company endeavours to post all announcements on its corporate website on the same day they are released to Bursa Securities or latest by the next working day.

1.3. Notices and explanatory note of each AGM or other meeting of shareholders

As recommended in Practice 13.1 of the MCCG 2021, notice for an Annual General Meeting shall be given to the shareholders at least 28 days prior to the meeting.

Each notice of meeting will be posted on the Company's corporate website. Forms for appointment of a proxy or proxies in any notice of meeting to shareholders will explain on the number of proxy or proxies that may be appointed, the rights of the proxy or proxies and the deposition of the proxy forms. In addition, any notice of a meeting called to consider special business will be accompanied by an explanation of the matter under consideration. In relation to resolutions to be considered at a meeting of shareholders, resolutions will not be bundled unless they are interdependent, and any resolutions for the election or re-election of directors will be considered separately.

2. The General Meetings

- 2.1 The Company encourages shareholders to attend the AGMs. If shareholders are unable to attend general meetings personally, they are encouraged to participate through the appointment of a proxy or proxies. The Company Secretary will be present at all general meetings of shareholders.

- 2.2 The Board takes proactive measures to facilitate shareholders' participation in general meetings. Whenever feasible, technology is leveraged, allowing for virtual general meetings to be conducted through live streaming and online remote voting for all the resolution set out in the notice of general meetings. In prioritising cyber-security the Board ensures the implementation of necessary steps/measures/practices for maintaining robust cyber hygiene, including safeguarding data privacy and security to mitigate potential cyber threats.
- 2.3 The Board shall ensure that general meetings support meaningful engagement between the Board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the Company's financial and non-financial performance as well as the Company's long-term strategies, *where appropriate*. Shareholders should also be provided with sufficient opportunity to pose questions during the general meetings and *if possible*, all the questions *may* receive a meaningful response.
- 2.4 The Board must ensure that the conduct of virtual general meetings (fully virtual or hybrid, *where appropriate*) 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 meetings and interactive participation by shareholders. Questions posed by shareholders will be made visible to all meeting participants during the meeting, *where appropriate*.
- 2.5 The Company will appoint independent scrutineer to validate the votes cast at the general meetings.
- 2.6 The outcome of the general meetings shall be announced to the Bursa Securities on the same day after the meeting is concluded and the announcement shall be available on the website of the Bursa Securities and the Company. Minutes of the general meetings shall be circulated to shareholders by posting on the Company's website no later than 30 business days after the general meetings.

3. Website

3.1. Investor information

The corporate website of the Company is located at www.asb.com.my. This website is intended to facilitate quick and easy access for stakeholders to publicly available information in a commonly available format capable of electronic access. The corporate website contains or will contain amongst others:

- annual reports and circulars;
- all announcements made to Bursa Securities;
- quarterly financial results announcements; and
- a Company profile and link to the website of each of the Key Business Divisions of the Group.

In addition, the website will contain historical price of the Company's quoted securities for the past 2 years.

3.2. Release of materials

All materials posted to the Company's website must be approved by the Group Managing Director.

3.3. Communication with Stakeholders

The Company encourages an effective 2-way communications from stakeholders and will consider feedback received from its stakeholders. The stakeholders include shareholders, employees, the governmental authorities and community at large. The Company's website includes a facility for the public to send email queries and comments to the Company.

Corporate Disclosure Policy (as referred to in Section 7.1.5 of this Charter)

The Company is committed to upholding the highest standards of transparency, accountability and integrity in the disclosure of all material information on the Company to the investing public in an accurate, clear and timely manner in accordance with the corporate disclosure requirements as set out in the Listing Requirements of Bursa Securities and the guidance as set out in the Corporate Disclosure Guide issued by Bursa Securities. The Board will also ensure that all who invest in its securities enjoy equal access to such information.

The primary objectives of the Company's Corporate Disclosure Policy are:

1. To promote and maintain market integrity and investor confidence.
2. To provide equal access to the Company's material information and to avoid selective disclosure to the investing public.
3. To exercise due diligence for management of information which promotes accountability for the disclosure and dissemination of material information to the investing public.
4. To build good investor relations with the investing public.

Matters Reserved for the Board (as referred to in Section 7.1.8 of this Charter)

The following matters shall be reserved for decision by the Board, supported by any recommendations as may be made from time to time by the Committees and/or Management:

1. Strategy setting, implementation and supervisory

- a. to review and approve the strategic plans, business plans and annual budgets and of any subsequent material changes in strategic direction or material deviations in business plans.
- b. to review and approve any new business ventures which are principally different from the Group's existing business, including the approval of corporate exercises involving purchase or disposal of subsidiaries or restructuring plans.
- c. to oversee and monitor the implementation of the strategic plans by the Management.

2. Overseeing the conduct of the Company's business

- a. to approve annual budget/business plan and any material capital and operating expenditure budget.
- b. to review the Company's performance, i.e. financial results and operations of the current quarter, year-to-date and forecast.
- c. to review and approve related party transactions, recurrent related party transactions and any conflict of interest situation that arose, persist or may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity, and the measures taken to resolve, eliminate, or mitigate such conflicts.
- d. to approve the opening and closing of the Company's bank accounts and the authorised signatories for the operation of bank accounts including any amendments thereto.
- e. to direct management to ensure a company operates at all times within applicable laws and regulations, establishing compliance policies and procedures and evaluating the effectiveness of the Company's Code of Conduct.
- f. to approve any material takeover, merger, divestment, purchase or sale of assets, property, supplies, equipment or vehicles and to review and approve material contracts and any incidental documents.
- g. to approve any major borrowing, providing security over assets or issuance of corporate guarantee, renewal or restructuring/variation, deferment for settlement of such borrowing and entering into credit/securities agreements/documents/instruments.
- h. to approve the payment of dividend/dividend policy and directors' benefits, subject to shareholders' approval where applicable, and share distributions, entitlements and interests.
- i. to propose the payment of directors' fees for shareholders' approval.
- j. to approve novation, assignment, assumption, capitalisation of debts of material sum.
- k. to approve any substantial provision for or writing off of debts.
- l. to approve the provision of financial support.

- m. to approve the entering into agreements of legal and material in nature and authority for the execution of such agreements is required which may include amongst others, tenancy agreement, lease agreement, joint venture agreement, memorandum of understanding, confidentiality/non-disclosure agreement, hire purchase agreement, loan agreement and subscription agreement.

3. Succession planning

- a. to review and approve the succession planning for the Group Chair, Group Executive Deputy Chair, Group Managing Director and other key executive officers.
- b. to review and approve programmes/measures in place to provide for the orderly succession of the Board and key executive officers.

4. Financial Reporting

- a. to approve the quarterly results and annual financial statements and directors' reports for timely lodgement with, and/or release to, the various authorities and Bursa Securities.
- b. to ensure the financial statements are prepared so as to give a true and fair view of the current financial status of the Company in accordance with the approved accounting standards.
- c. to approve the adoption of the applicable accounting policies.
- d. to approve the adoption of any significant change or departure in the accounting policies and practices of the Company and its subsidiaries.

5. Sustainability

- a. to establish and formalise strategies, priorities and/or targets on promoting/supporting sustainability. Attention shall be given to economic, environmental, social ("EES") and governance aspects of business which underpin sustainability.
- b. to review corporate governance principles and policies.
- c. to review and approve the Group Enterprise Risk Management and Sustainability Framework which shall include sustainability strategies, material/key EES matters, and assessment parameters of material/key EES matters, and reviewing steps to monitor, mitigate and/or prevent the EES risks and assessing the performance against the target set on identified measurement indicators for each of the material/key sustainability matters.

6. External auditors

- a. to establish formal and transparent arrangements for considering how financial reporting and internal control principles will be applied and for maintaining an appropriate relationship with the external auditors through its Audit Committee.
- b. to review and approve the appointment, resignation, removal or replacement of the external auditors of the Company and to determine their remuneration.

7. Internal audit

- a. to establish an internal audit function for the Group which critically reviews the adequacy of the operational controls and procedures so as to provide reasonable assurance that such system continues to operate satisfactorily and effectively within the Group.
- b. to ensure the system of internal controls is reviewed on a regular basis and the Audit Committee receives reports regarding the findings and outcome of the audits and reviews on a regular basis.

8. Risk management and Internal Controls

- a. to review and approve the policy and/or framework and procedures for risk management and internal controls.
- b. to review and monitor the system of risk management and internal controls and to ensure that the system set-up is viable and adequately robust to assist Management in monitoring, mitigating and managing risks and internal controls.

9. Statutory and administrative

- a. to recommend amendments to the Constitution of the Company.
- b. to determine the frequency of meetings of the Board.
- c. to convene general meetings of shareholders of the Company.
- d. to review and approve the appointment, removal or replacement of the Company Secretaries.
- e. to approve the variation of the rights attaching to shares where such powers are vested in the Board.
- f. to review and recommend the change of Company's name.
- g. to approve the change of registered office or address where financial records are kept.
- h. to establish or determine the fiscal year.
- i. to redeem the shares of the Company, issuance of shares, options, convertible securities or option loans within the authorisation given by the shareholders.
- j. to approve the transfer of shares.
- k. to approve the adoption, change or affixation of the common seal.
- l. to approve the appointment of share registrar, scrutineer, Administrator/Receiver, Corporate Representative, Legal Representative, Proxy or Power of Attorney and any amendments thereto.
- m. to approve the use of facsimile signature.

10. Regulatory

- a. to approve the terms and conditions of the Company's rights issues, public offers, capital issues or issues of convertible securities including shares or convertible securities issued for acquisitions.
- b. to approve the issuance of circulars and/or notifications to the shareholders of the Company.
- c. to approve the issuance of prospectuses, listing particulars, rights offers or takeover or merger documents.
- d. to recommend for shareholders' approval of any ordinary or special resolutions in respect of the Company.
- e. to decide the listing or delisting of the Company's shares on any stock exchange.
- f. to recommend for shareholders' approval of any increase, reduction, repayment, subdivision or consolidation or alteration to the share capital of the Company and the allotment, issue or other disposal of shares of the Company (except for shares allotted under any employee share option scheme).

- g. to review and ensure compliance on all relevant legal, tax and regulatory obligations.
- h. to review and approve the formation/dissolution/deregistration/disposal or acquisition/cessation of business of subsidiaries or major/material associated companies or investee companies.
- i. to approve any re-organisation or restructuring of corporate structure.
- j. to approve the appointment of tax agent, adviser, trustee, and/or any other independent experts to material corporate exercise and any subsequent changes.
- k. to approve change of status of a company (eg. conversion from private company to public company or vice versa).

11. Manpower

- a. to review and approve the appointments/resignations/retirements/removals of the Group Chair, Group Executive Deputy Chair, Group Managing Director, Executive Director and Non-Executive Directors, Independent and Non-Independent Directors and alternate directors (if any) as well as the terms of the appointment as recommended by the Nomination Committee.
- b. to review and approve the changes in the terms of reference and composition of the Committees as are established from time to time.
- c. to recommend any employee share option/grant scheme, the rules/by-laws applicable to any such scheme and any amendments to such rules/by-laws for submission to the shareholders of the Company for approval.

12. Miscellaneous

- a. to approve any other matters that the Board may deem appropriate and necessary from time to time.

The above is not an exhaustive list of matters reserved for decision by the Board.

Fit and Proper Policy

for Appointment/Re-appointment/Re-election of Director(s) (as referred to in Sections 8.2 and 8.3 of this Charter)

1. The purpose of this Policy is to provide guidance to Nomination Committee and the Board of the Company and its subsidiary companies (collectively, the “Group”) when conducting fit and proper assessment on candidates for new appointment and/or existing Directors standing for re-appointment/re-election to ensure that only individual of high calibre and who possesses the right blend of skills, expertise, track record and integrity are appointed and/or re-appointed.
2. This Policy was issued pursuant to the letter dated 15 December 2021 of Bursa Malaysia Berhad regarding the Corporate Governance Guide (“CG Guide”) 4th Edition issued by Bursa Malaysia Berhad to complement with the latest Malaysian Code on Corporate Governance (“MCCG”) issued by the Securities Commission Malaysia (“SC”) on 28 April 2021, and the impending corporate governance requirements under the Listing Requirements of Bursa Securities.
3. This Policy applies to the appointment, re-appointment/re-election of Directors of the Group.
4. In determining whether a Director and/or proposed Director is fit and proper, the considerations that underpin overarching criteria includes the following:-
 1. Character and integrity
 - (a) Probity
 - (i) is compliant with legal obligations, regulatory requirements and professional standards.
 - (ii) has not been obstructive, misleading or untruthful in dealings with regulatory bodies or a court.
 - (b) Personal integrity
 - (i) has not perpetrated or participated in any business practices which are deceitful, oppressive improper (whether unlawful or not), or which otherwise reflect discredit on his professional conduct.
 - (ii) service contract (i.e. in the capacity of management or director) had not been terminated in the past due to concerns on personal integrity.
 - (iii) has not abused other positions (i.e. political appointment) to facilitate government relations for the company in a manner that contravenes the principles of good governance.
 - (c) Financial integrity
 - (i) manages personal debts or financial affairs satisfactorily.
 - (ii) demonstrates ability to fulfil personal financial obligations as and when they fall due.
 - (d) Reputation
 - (i) is of good repute in the financial and business community.
 - (ii) has not been the subject of civil or criminal proceedings or enforcement action, in managing or governing an entity for the past 5 years.
 - (iii) has not been substantially involved in the management of a business or company which has failed, where that failure has been occasioned in part by deficiencies in that management.

2. Experience and Competence

(a) Qualifications, training and skills

- (i) possesses education qualification that is relevant to the skill set that the Director is earmarked to bring to bear onto the boardroom (i.e. a match to the board skill and matrix).
- (ii) has a considerable understanding on the workings of a corporation.
- (iii) possesses general management skills as well as understanding of corporate governance and sustainability matters.
- (iv) keeps knowledge current based on continuous professional development.
- (v) possesses leadership capabilities and high level of emotional intelligence.
- (vi) financially literate, competent and able to understand matters under the purview of the Audit Committee including the financial reporting process (applicable for appointment as Audit Committee members).

(b) Relevant experience and expertise

- (i) possesses relevant experience and expertise with due consideration given to past length of service, nature and size of business, responsibilities held, number of subordinates as well as reporting lines and delegated authorities.

(c) Relevant past performance or track record

- (i) had a career of occupying a high level position in a comparable organisation, and was accountable for driving or leading the organisation's governance, business performance or operations.
- (ii) possesses commendable past performance record as gathered from the results of the board effectiveness evaluation.

3. Time and commitment

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

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

(b) Participation and contribution in the board or track record

- (i) demonstrates willingness to participate actively in board activities.
- (ii) demonstrates willingness to devote time and effort to understand the businesses and exemplifies readiness to participate in events outside the boardroom.
- (iii) manifests passion in the vocation of a Director.
- (iv) exhibits ability to articulate views independently, objectively and constructively.
- (v) exhibits open mindedness to the views of others and ability to make considered judgment after hearing the views of others.

4. Conflict of interest

The nature and extent of any conflict of interest or potential conflict of interest, including interest in any competing business with the Group.

Role and Function of the Company Secretary (as referred to in Section 12 of this Charter)

The Company Secretary who is accountable to the Board, reports administratively to the Group Managing Director, and has an important role in advisory and assisting the Board and Board Committees in achieving good corporate governance and ensuring compliance of statutory laws, rules and regulations.

The Board members have unlimited access to the professional advice and services of the Company Secretary.

The function of a Company Secretary primarily comprises:

1. Advises the Board on matters pertaining to corporate governance, the compliance of statutory laws, rules and regulation of the Act, Listing Requirements of Bursa Securities, Securities Commission guidelines and other relevant legislation and authorities and ensure compliance thereof.
2. Ensures proper maintenance of the Group's statutory records, register books and documents and filing with the necessary authorities.
3. Manages all Board and Board Committee meeting logistics, attends and ensures proper conduct and procedures at AGMs, EGMs, Board Meetings, Board Committees' Meetings and any other meetings and records minutes thereof.
4. Advises Directors of their roles and responsibilities including their obligations to adhere to matters relating to:
 - a. disclosure of interest in securities.
 - b. disclosure of any conflict of interest in a transaction involving the Company.
 - c. prohibition on dealing in securities.
 - d. restriction on disclosure of price-sensitive information.
 - e. disclosure of any material transactions in compliance with the Listing Requirements of Bursa Securities.
5. Ensuring that all appointments to the Board and Committees are properly made. Facilitates the orientation of new Directors and assists in Director training and development.
6. Facilitating the provision of information as may be requested by the Directors from time to time and facilitate Board communications.
7. Ensuring that the interests of the Board and that of the Company are protected.
8. Manages processes pertaining to the annual shareholder meeting.
9. Monitors corporate governance developments and assists the Board in applying governance practices to meet the Board's needs and stakeholders' expectations; and
10. Serves as a focal point for stakeholders' communication and engagement on corporate governance issues.