

BOARD CHARTER

1. INTRODUCTION AND PURPOSE

This Board Charter is a Charter of the Board of Directors (“Board”) or (“the Company”) and its subsidiaries (“the Group”) which sets out its desired corporate governance landscape. The essence of this Board Charter is to achieve excellence in corporate governance through strengthening self and market discipline, promoting good compliance with laws and ethical values, and maintains the standards of corporate governance culture to ensure appropriate management of risks and level of internal controls within the Group.

The Board together with the stakeholders in embarking on a journey to continuously improve the corporate governance framework of the Group must embrace the understanding that good business is not just about achieving the desired financial bottom line by being competitive alone, but also by being ethical and sustainable with the ultimate objective of realising long term shareholders value whilst ensuring that the interests of other stakeholders are not being compromised.

This Board Charter acts as a source of reference to the Board setting out the principles for the operation of the Board, the demarcation of the roles, functions, operations, responsibilities, composition and powers of the Board designed to provide guidance, clarity, coordination in its stewardship role of the Group based on the Companies Act 2016 (“CA 2016”), the Company’s Constitutions, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“ACE Market LR”), the Capital Markets and Services Act 2007 (“CMSA”) and the adopted related best practices and guidance from the recommended principles of the Malaysian Code on Corporate Governance 2021 (“the Code”) and does not overrule or pre-empted statutory requirements and other relevant statutes that are in force.

This forms an integral part of each Director’s duties and responsibilities and acts as a general statement of intent and expectation as to how the Board discharges its duties and responsibilities simultaneously promoting effective communication between the Board, the various Board Committees and those delegated to the management of the Company to achieve a high standard of business integrity, ethics, and professionalism in yielding the overall direction and control of the Group.

2. THE BOARD

2.1 Composition

The Board consists of qualified individuals with a diverse set of skills, experience, and knowledge necessary to govern the Company. The composition must fulfil the Ace Market Listing Requirements of Bursa Securities, which stated that at least two (2) or one-third (1/3) of the Board, whichever is higher, must be Independent Director

The Board comprises a majority independent director which will provide the strong independent element to the Board to ensure that all matters are reviewed with objectivity, balance, and fairness. The Board shall identify an Independent Non-Executive Director (“INED”) to be appointed as the Independent Director who will attend to any query or concern raised by shareholders as an alternative to the existing formal channel of communication with shareholders.

The Board shall be of a size and composition with the benefit of diversity in perspectives, competencies, extensive experience, knowledge, and skills to understand properly and deal with the current and emerging issues of the business of the Company and the Group. Thus, the Board is committed to focus on supporting the representation of at least 1 women director in the composition the Board of the Company. The Board, through Nominating Committee, will conduct all Board appointment process in a manner that promotes gender diversity.

2.2 Appointment of the Directors

The appointment of a new Director is a matter for consideration and decision by the Board upon appropriate recommendation from the Nominating committee (“NC”). It is the essence of the Board to ensure high levels of professional skills and appropriate personal qualities are pre-requisites for such nominee.

A Director shall at all times exercise his powers for a proper purpose and in good faith in the best interest of the Company and shall act honestly and use reasonable care, skill and diligence in the discharge of the duties of his office and shall not make use of any information acquired by virtue of his position to gain directly or indirectly an improper advantage for himself or for any other person or to cause detriment to the Company.

2.3 Re-Election of the Directors

Pursuant to the Company’s Constitution, an election of directors takes place subsequent to their appointment each year where one-third (1/3) of the directors or if their number is not three (3) or multiple of three (3), then the number nearest to one-third (1/3) shall retire by rotation from office and shall be eligible for re-election at each annual general meeting and that all directors shall retire from office at least once in every three (3) years and shall be eligible for re-election.

The directors to retire in each year shall be those who have been longest in office since their last election, but as between persons who became directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

2.4 Disqualification or Vacation of Office

The office of Directors shall become vacant if the Director:

- i. Becomes bankrupt or makes any arrangement or composition with his creditor generally during his term of office;
- ii. Becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental disorder during his term of office;
- iii. Is absent from more than fifty percent (50%) of the total board of directors’ meetings held during a financial year;
- iv. Resigns from his office by notice in writing to the company and deposited at the office of the company; or
- v. Is removed from his office of director by resolution of the company in general meeting of which special notice has been given;
- vi. If he is convicted by a court of law, whether in Malaysia or elsewhere, in relation to offences under the act or any securities laws.

2.5 Roles of Independent Non-Executive Director (“INED”)

INED are those who have no direct or indirect pecuniary interest in the Company other than the remuneration for their services as members of the Board of Directors and Board committees of the Company and the Group which as defined under Rule 1.01 of the ACE Market Listing Requirements. INED shall be a person who is not, and has not been within the last 3 years, an officer (except as an independent director) of the said corporation. For this purpose, “officer” has the meaning given in Section 2 of the Companies Act 2016.

The role of INED is to constructively challenge and help develop proposals on strategy include, inter alia:

- An Independent Director 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.

- To make independent assessment of the information, reports, or statements, having regard to the Directors' knowledge, experience, and competence, to provide independent view and demonstrate objectivity in reviewing and challenging the management's proposals at meetings.
- To devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes, to keep abreast of industry issues, market development and trend, and enable them to sustain their active participation in board deliberations.
- Act as a channel of communication between Management, shareholders, and other stakeholders, and provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied.
- Independent Directors shall meet among themselves at least annually to discuss among others strategic, governance and operational issues.

2.6 Tenure of Independent Non-Executive Director

The tenure of an INED does not exceed a term limit of nine years. Upon completion of the nine years, an INED may continue to serve on the board as a non-independent director. In the event the INED is to be remained as an INED, the board should provide justification and seek annual shareholders' approval through a two-tier voting process. An INED shall not served as an INED for a cumulative period of more than 12 years from the date of his first appointment as an independent director.

2.7 Separation of Positions of Chairman and Chief Executive Officer (“CEO”)

It is recommended that the positions of the Chairman and CEO should be held by different individuals, and the Chairman must be a Non-Executive Director to ensure there is a balance of power and authority. The roles of the Chairman and Executive Director of the Group are distinct and separate with individual responsibilities. Each of them has clearly defined duties and authority thus ensuring balance of power and greater capacity for independent decision-making.

The key roles and responsibilities of the CEO, whether or not an Executive Director, are as follows:

- Responsible to plan, direct and oversee the company's operational policies, rules, initiatives, and goals.
- Expected to help in execution of long-term and short-term plans and directives by implementing judgment, vision, management, and leadership.
- Oversee the group of company's operations, namely marketing, customer service, technology, and back-office divisions.
- Develop and implement operational strategies to improve network efficiency and diversify into complementary businesses; drive business development activities to grow the business further.
- Collaborate with the Chief Operating Officer to develop, enhance and implement the necessary infrastructure to drive efficiency within the company.
- Prepare and submit an annual operational budget, manage effectively within the budget, and report accurately on progress made and challenges encountered.
- Ensure the continued financial viability programme/service units through sound fiscal management.

3. ROLES AND RESPONSIBILITIES OF THE BOARD

The Board has the overall responsibility in leading and determining the Group's strategic direction. It provides an effective oversight of the conduct of the Group's business, ensuring an appropriate risk management and internal control system is in place as well as regularly reviewing such system to ensure its adequacy and integrity.

The Board assumes the following principal responsibilities in discharging its fiduciary and leadership functions:

- Reviewing and adopting a strategic plan for the Company;
- Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;
- Identifying principal risks and ensure the implementation of appropriate systems to manage these risks;
- Succession planning, including appointing, training, fixing of compensation and where appropriate, replacing Senior Management;
- Developing and implementing an investor relations programme or shareholder communications policy for the Company; and
- Reviewing the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives, and guidelines.

The Board has delegated specific responsibilities to Board Committees as well as various sub-committees to assist the Board in the running of the Group. The functions and terms of reference of the Board Committees as well as authority delegated by the Board to these Committees have been clearly defined by the Board. The Board reviews the Board Committee's authority and terms of reference from time to time to ensure their relevance.

4. BOARD PROCESSES/PROCEDURES

4.1 Board Meeting and Frequency

- The Board shall meet regularly, at least on a quarterly basis. Special Board meetings shall be held in addition to the quarterly meetings as and when required. Prior notice of meetings will be given to all who are required to attend the meetings. The quorum for Board meetings shall be at least two (2) of the number of Directors on the Board.
- The Chairman of the Board, or in his/her absence, a Director from amongst the Board members appointed shall preside at all meetings.
- Board members are required to attend the Board meetings and attendance of each individual Director in the meetings held in a financial year is required to be disclosed in the Annual Report.
- Other senior officers may be invited to attend for items within their responsibility. The Board may also invite external parties such as the auditors, solicitors, and consultants as and when the need arises.
- Any Director who has a direct or deemed interest in the subject matter to be deliberated, must abstains from deliberation and voting on the same during the meeting.
- The Directors may participate at a meeting of the Directors by means of telephone and video conference or by other means of communication. The physical presence of Director(s) is not compulsory and participation at the meeting in the aforesaid manner shall be deemed to constitute presence in person at such meeting. All information and documents must be made equally available to all participants prior to, at, or during the meeting.

4.2 Agenda

The notice of a Directors' meeting shall be given in writing at least seven (7) days prior to the meeting save and except for the case of emergency. The agenda shall include, amongst others, matters specifically reserved for the Board's decision. The Board shall record its deliberation, in terms of the issues discussed, and the conclusions thereof in discharging its duties and responsibilities.

4.3 Meeting Papers

Board papers and agenda items are to be circulated at least five (5) business days prior to the meeting. The draft minutes shall be circulated together with the Board papers at the following Board

meeting. If one or more Directors request their opinion to be noted, the Company Secretary shall comply with the request.

4.4 Minutes

The Minutes of Board and Committee meetings shall be circulated within a reasonable time frame. Full minutes of each Board meeting and Committee meetings are kept at the registered office of the Company and are available for inspection by any Director during office hours.

4.5 Access Information

The Board recognises that the decision-making process is highly contingent on the quality of information furnished. As such, all Directors have unrestricted access to any information pertaining to the Company and the Group. All the Directors have full and timely access to information with the advance distribution of Board Papers prior to Meetings. The Board is regularly updated on new statutory and regulatory requirements relating to the duties and responsibilities of Directors.

4.6 Independent Professional Advice

The Board may seek independent professional advice at the Company's expense on specific issue to enable it to discharge its duties in relation to matters being deliberated. Directors may also obtain independent professional or other advice in furtherance of their duties, subject to the approval of the Board, depending on the quantum of the fees involved.

5. REMUNERATION LEVELS OF DIRECTORS

The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors needed to run the Company successfully, taking into consideration all relevant factors including demands, complexities, and performance of the Company as well as skills and experience, required function, workload and responsibilities involved, but without paying more than is necessary to achieve this goal.

In fixing the remuneration to be paid to Directors who are not employees of the Group for serving on the Board and on Committees of the Board, the Board will consider the following:

- The compensation that is paid to Directors of other companies which are comparable in size to the Group and complexity of the group's business;
- The amount of time it is likely Directors will be required to devote in preparing for and attending meetings of the Board and the Committees on which they serve;
- If a committee on which a Director serves undertakes a special assignment, the importance of that special assignment to the Group and its shareholders; and
- The risks involved in serving as a director and a member of Board Committees

6. DIRECTORS' TRAINING & CONTINUING EDUCATION

The Board encourages Directors to attend educational / training programmes to keep themselves abreast with the various issues facing the changing business environment within which the Group operates and further enhance their professionalism in discharging their fiduciary duties to the Company. The Board and each director shall assess the training needs of the directors and oneself respectively from time to time.

The Board should regularly identify appropriate training that it believes will enhance directors' contributions to the Board. The Board must disclose the training courses attended by its directors in the annual report during the financial year.

7. BOARD COMMITTEES

The Board may delegate specific responsibilities to Board Committees as well as various sub-committees to assist the Board in the running of the Group. The functions and terms of reference of the Board Committees as well as authority delegated by the Board to the following Committees have been clearly defined by the Board:

- Nominating Committee;
- Remuneration Committee; and
- Audit and Risk Management Committee

The Board reviews the Board Committee's authority and terms of reference from time to time to ensure their relevance. These Committees examine specific issues and report to the Board with their recommendations. The ultimate responsibility for decision-making lies with the Board.

8. COMPANY SECRETARY

The Company Secretary shall be suitably qualified, competent, and capable of carrying out the duties diligently and impartially. The Company Secretary is prohibited to act in a dual capacity as both a Director and Company Secretary in a situation that requires or authorises anything to be done by a Director and a Company Secretary.

The key role of the Company Secretary shall include:

- Provide unhindered advice and services for the Directors as and when the need arises; enhance the effective functioning of the Board;
- Advise the Board on corporate governance and other regulatory compliance;
- Preparing agendas and coordinating the preparation of the Board papers in a timely and effective manner;
- Ensure that Board procedures and applicable rules are being observed;
- Maintaining records of the Board and ensure effective management of organisational records;
- Preparing comprehensive minutes to document Board proceedings and ensure conclusions are accurately recorded;
- Assisting the communications between the Board and management; and providing full access and services to the Board in carrying out other functions deemed appropriate by the Board from time to time.

9. FINANCIAL REPORTING

- The Board aims to present a clear and balanced assessment of the Group's financial position and prospects that extends to the annual and quarterly reports. The Board ensures that the annual and interim financial statements are prepared to give a true and fair view of the current financial status of the Group in accordance with the approved accounting standards.
- The Group's practice is to announce to Bursa Securities its quarterly financial results as early as possible within two (2) months after the end of each quarterly financial period. The Auditors Report shall contain a statement from the Auditors explaining their responsibility in forming an independent opinion, based on their audit, of the financial statements.

10. INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Group and as such adopts an open and transparent policy in respect of its relationship with its shareholders and investors. The Board ensures the timely release of financial results on a quarterly basis to provide shareholders and analysts with an overview of the Group's performance and operations in addition to the various announcements made during the year.

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

- To ensure that each item of special business included in the notice to be accompanied by a full explanation of the effects of the proposed resolution;
- To ensure that each item of special business included in the notice to be accompanied by a full explanation of the effects of the proposed resolution;
- For election and re-election of Directors, ensures that the notice of meeting state which directors are standing for election with a brief description to include matters such as age, relevant experience, list of directorships, date of appointment to the Board, details of participation in board committee and the fact that a particular director is independent;
- To ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the Board, Senior Management, and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders will be made visible to all meeting participants during the meeting itself.

The Group's website, <https://sbsgroup.com.my/>, provides easy access to corporate information pertaining to the Group and its activities and is continuously updated.

11. RELATIONSHIP WITH OTHER STAKEHOLDERS

In the course of pursuing the vision and mission of the Group, the Board recognises that no business organisation can exist by maximising shareholders value alone. In this regard, the needs and interests of other stakeholders are also taken into consideration.

The Board is responsible for:-

- a) Ensuring the Group has in place policies governing the Group's relationship with stakeholders to enable effective transparent and regular communication not just with shareholders, but with all stakeholders and broader community;
- b) Ensuring the Group's strategies promote sustainability;
- c) Ensuring the rights of other stakeholders are not compromised; and
- d) Establishing and maintaining environmental, employment and occupational health and safety policies;

12. CORPORATE DISCLOSURES

- The Board shall have relevant corporate disclosure policies and procedures to ensure comprehensiveness, accuracy and timeliness of information disclosed. These policies and procedures shall ensure compliance with the relevant disclosure requirements as enumerated in the ACE Market Listing Requirements.
- The Company shall consider the use of information technology in communicating with stakeholders, including a dedicated section for Investor Relations on the Company's website. This section shall provide information such as, amongst others, the Board Charter, and the Annual Report of the Company.
- The Chairman to speak on behalf of the Group and to manage the communication of information to investors, other stakeholders and the public in an orderly and effective manner while adhering, at all times, to relevant laws and regulatory requirements.

13. CODE OF CONDUCT AND BUSINESS ETHICS

- The Board shall formalise and commit to ethical values through the maintenance of a code of conduct and business ethics and ensure the implementation and compliance with the code of ethics. The Board should encourage employees to report genuine concerns in relation to breach of a legal obligation (including negligence, criminal activity, breach of contract and breach of law), miscarriage of justice, danger to health and safety or to the environment and the cover-up of any of these in the workplace.
- The Board should ensure that its whistleblowing policies set out avenues where legitimate concerns can be objectively investigated and addressed. Individuals should be able to raise concerns about illegal, unethical or questionable practices in confidence and without the risk of reprisal.

14. DIRECTORS' EXTERNAL COMMITMENTS AND CONFLICT OF INTEREST

- The Company's Constitution stipulate that a Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare his interest in accordance with the provisions of the Companies Act 2016. The Director concerned shall not participate in deliberations and shall abstain himself from voting in any matter arising thereof.
- Should there be an actual, potential, or perceived conflict of interest between the Company/Group or a related corporation and a Director, or an associate of a Director such as a spouse or other family members, or a related company, the Director involved shall make full disclosure and act honestly in the best interest of the Company.
- An actual, potential, or perceived conflict of interest shall not necessarily disqualify an individual Director from the Board provided that full disclosure of the interest has been made in good faith and with due honesty.
- For the above-mentioned paragraphs, the directors shall perform an annual self-declaration on independence (in respect of those who are Independent Directors) and conflict of interest for the Group's records.

15. REVIEW OF BOARD CHARTER

The Board endeavour to comply at all times with the principles and practices as set out in this Board Charter. Where necessary, the Board will review this Board Charter from time to time and make any necessary amendments to ensure they remain consistent with the Board's objectives, current law and practices.

This Board Charter has been adopted by the Board of Directors on 27 September 2024.